



REGULAR MEETING

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, AUGUST 20, 2013
2:00 P.M.

PEOPLE OF SAN MATEO COUNTY

You are invited to offer your suggestions. In order that you may know our method of conducting Board business, we proceed as follows:

The regular meetings of the South San Francisco Oversight Board for the Successor Agency to the City of South San Francisco Redevelopment Agency are held on the third Tuesday of each month at 2:00 p.m. in the in the Large Conference Room, Top Floor at City Hall, 400 Grand Avenue, South San Francisco, California.

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item, and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the City Clerk's Office located at City Hall. If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda. The address of City Hall is 400 Grand Avenue, South San Francisco, California 94080.

In compliance with Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the South San Francisco City Clerk's Office at (650) 877-8518. Notification 48 hours in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Chairperson:

Neil Cullen

Selected by:

Largest Special District of the type in H&R
Code Section 34188

Vice Chair:

Patti Ernsberger
Assistant Superintendent, Business Services
South San Francisco Unified School District
Alternate: Alejandro Hogan
Superintendent, South San Francisco Unified School District

Selected by:

San Mateo County Superintendent of Schools

Board Members:

Mark Addiego
Councilmember, City of South San Francisco
Alternate: Barry Nagel
City Manager, City of South San Francisco

Gerry Beaudin
Principal Planner, City of South San Francisco

Barbara Christensen
Director of Community/Government Relations,
San Mateo County Community College District

Reyna Farrales
Deputy County Manager, San Mateo County

Paul Scannell

Selected by:

Mayor of the City of South San Francisco

Mayor of the City of South San Francisco

Chancellor of California Community College

San Mateo County Board of Supervisors

San Mateo County Board of Supervisors
(Public Member)

Counsel

Craig Labadie

Advisory:

Marty Van Duyn – Assistant City Manager, City of South San Francisco
Jim Steele – Finance Director, City of South San Francisco
Steve Mattas – City Attorney, City of South San Francisco
Krista Martinelli – City Clerk, City of South San Francisco
Armando Sanchez – Redevelopment Consultant, City of South San Francisco

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE
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.

MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes of the Regular Meeting of July 16, 2013.
2. Resolutions approving amendments to the Lease Agreements with Sitike Counseling Center and the County of San Mateo for the facility at 306 Spruce Avenue.
3. Presentation on the preliminary parcelization and development feasibility analysis of the Successor Agency's Mission-Chestnut Area Properties.
4. Framework for determining former RDA Staffing composition for calculating unfunded retirement and retiree health liabilities.
5. Future Agenda Items.
 - a) Approval of ROPS V (ROPS 13-14B).
 - b) Loan Agreements pertinent to true-ups of ROPS III.
 - c) Long Range Property Management Plan.
 - d) Consideration of revenue sharing agreement related to assignment of the Master Commercial Lease at 636 El Camino Real.
 - e) Reorganization of the Board.

ADJOURNMENT



REGULAR MEETING MINUTES

DRAFT

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, JULY 16, 2013
2:00 P.M.

CALL TO ORDER

Time: 2:31 p.m.

ROLL CALL

Present: Boardmembers Addiego, Christensen, Farrales
and Scannell and Chairperson Cullen.

Absent: Boardmember Beaudin and Vice Chairperson
Ernsberger.

PLEDGE OF ALLEGIANCE

Led by Chair Cullen.

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 Regular Meeting of May 21, 2013.

Motion— Boardmember Scannell/Second— Boardmember Christensen: to approve the Minutes of the Regular Meeting of May 21, 2013. Approved by the following voice vote: AYES: Boardmembers Christensen and Scannell, Alternate Boardmember Nagel for Boardmember Addiego who was not present at 5.21 meeting and Chairperson Cullen. NOES: None. ABSTAIN: Farrales. ABSENT: Boardmember Beaudin and Vice Chairperson Ernsberger.

2. Correspondence:
5.13.13 Letter from San Mateo County Superintendent of Schools designating appointment status on the South San Francisco Oversight Board
6.10.13 Letter from Sitike Counseling Center requesting lease renewal.

At the request of Chair Cullen, Counsel Labadie confirmed that with respect to the letter from the San Mateo County Superintendent of Schools designating appointment status, there was no requirement to notify the Department of Finance of the change in membership.

Staff noted that the Sitike Counseling Center Lease renewal request would come back before the Board at an upcoming meeting.

3. Discussion regarding postponement of reorganization of the Board to August or September due to Boardmembers' scheduling conflicts.

Chairman Cullen advised that due to absences and summer vacations, staff recommended postponing the reorganization of the Board until the September meeting when the entire Board was expected to be present. He also raised for staff's review the issue of whether the Chair/Vice Chair appointment ran with the person or the seat in consideration of the fact that former Vice Chair Porterfield was replaced by current Vice Chair Ernsberger on the Board.

4. Resolution No. 14-2013 approving a Loan Agreement in the Amount of \$7,624.15 with the City of South San Francisco to allow the Successor Agency to make a Non-Housing Recognized Obligation Payment for expenses that exceeded what was shown on ROPS I and were incurred during ROPS II.

Finance Director Steele presented the staff report and advised the Successor Agency and Oversight Board had approved several enforceable obligations which, due to the timing of the payments, did not coincide with the ROPS for their payment.

Due to a discrepancy in the staff report pointed out by Boardmember Christensen, it was decided that the approval should be for an amount not to exceed \$7700.24

Motion— Boardmember Farrales/Second— Boardmember Christensen: Resolution No. 14-2013 approving a Loan Agreement in an amount not to exceed \$7700.24 with the City of South San Francisco to allow the Successor Agency to make a Non-Housing Recognized Obligation Payment for expenses that exceeded what was shown on ROPS I and were incurred during ROPS II.

Approved by the following voice vote: AYES: Boardmembers Addiego, Christensen, Farrales and Scannell, and Chairperson Cullen. NOES: None. ABSTAIN: None. ABSENT: Boardmember Beaudin and Vice Chairperson Ernsberger.

5. Updates on bond call escrow account and Oyster Point Development escrow account.

Finance Director Steele presented the staff report updating the Board on the respective escrow accounts. Regarding the 2006 Bond Escrow Account, he reported that as of June 30, 2013, a total of \$54.3 million was deposited in an escrow account with Bank of New York and invested in U.S. Treasury securities maturing in August 2016. The call date for these bonds is September 1, 2016 and a total of \$58.175 million would be required for the call. The escrow account and the bond reserve account together include enough funding for this purpose.

Regarding the Oyster Point Ventures DA Escrow Account, as of July 11, 2013, the Successor Agency had invested \$15,000,000 from Real Property Tax Trust Funds (RPTTF) in U.S. Treasuries. The purpose of this investment was to assist in meeting the DA's requirement that the former RDA have \$18 million available for the first phase improvements and a total of \$30 million for the remaining phase improvements.

At the request of Boardmember Addiego, Assistant City Manager and Director of Economic and Community Development Van Duyn advised of recent development and plans in the Oyster Point area. He noted that Council had approved 2 major projects in the last two months and that several Biotech companies, including Onyx and Genentech, were planning expansions.

Boardmember Christensen advised that Biotech continues to be a driving force in the demand for workers. She advised the community colleges were developing a Biotech AA degree to meet needs expressed by local companies.

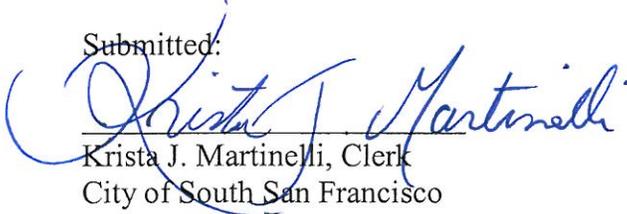
6. Future Agenda Items.
 - a) Long Range Property Management Plan.
 - b) Transmittal of Actuarial Analysis of Former Redevelopment Agency unfunded liabilities for pension and retiree health care obligations and resolution adding these costs to the Successor Agency's enforceable obligations.
 - c) Consideration of revenue sharing agreement related to assignment of the Master Commercial Lease at 636 El Camino Real.
 - d) County and Sitike Counseling Center Leases for 306 Spruce Avenue.
 - e) Reorganization of the Board.

ADJOURNMENT

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

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



Redevelopment Successor Agency Oversight Board Staff Report

DATE: August 20, 2013
TO: Members of the Oversight Board
FROM: Marty Van Duyn, Assistant City Manager
SUBJECT: ADOPT RESOLUTIONS APPROVING AMENDMENTS TO THE
LEASE AGREEMENTS WITH SITIKE COUNSELING CENTER AND
THE COUNTY OF SAN MATEO FOR THE FACILITY AT 306 SPRUCE
AVENUE

RECOMMENDATION

It is recommended that the Oversight Board adopt resolutions authorizing amendments to the lease agreements with Sitike Counseling Center and the County of San Mateo for the facility at 306 Spruce Avenue and authorize the Successor Agency Executive Director or his designee to execute the Lease Amendments.

BACKGROUND

The medical facility located at 306 Spruce Avenue/472 Grand Avenue, is a 14,000 square foot parcel containing a three story building and an adjacent parking lot. The facility also has a dedicated parking lot at 468 Miller Avenue. The basement level of the building contains vacant office space, the building's mechanical systems (electrical, fire alarms, HVAC and boiler) and restrooms. The San Mateo County Health Center occupies the second floor and Sitike Counseling Center occupies the first floor. The roof of the building contains cell tower equipment installed by Sprint and the building's exhaust fans.

Sitike's tenant space is partitioned into office spaces and counseling rooms, with an entry lobby, kitchen, child care facility, two disabled accessible restrooms, and access to an outdoor patio. Their lease includes four (4) on-site parking spaces and seven (7) spaces at the Miller Avenue parking lot.

The Health Center is a primary care medical facility with exam rooms, a large office area, counseling rooms, a lobby, a computer server room, a meeting room and kitchen, and two disabled (men's and women's) accessible restrooms. The Health Center lease includes five (5) parking spaces in the adjacent lot and eleven (11) spaces in the lot on Miller Avenue

DISCUSSION

The San Mateo County Health Center and Sitike Counseling Center have held leases for 16 years and 17 years respectively. The Lease Agreements for both tenants require the Lessees to pay for all their utilities and to provide janitorial services while landscaping and all maintenance and repairs are the responsibility of the Successor Agency (Lessor). On August

Staff Report

Subject: Sitike and Health Center Lease Amendments for 306 Spruce Avenue

Page 2

14, 2012 the Oversight Board approved one year lease extensions for Sitike and the Health Center and the California State Department of Finance (DOF) affirmed the lease extensions. Sitike's current lease expires on August 31, 2013 and the County's lease will expire on October 31, 2013.

The property at 306 Spruce Avenue is still subject to the provision of AB 1484 which requires the Successor Agencies to prepare a Long Term Property Management Plan (LTPMP) for the properties owned by the former Redevelopment Agency. Until the Oversight Board and DOF approve the LTPMP, the Successor Agency may not take actions that affect the long term uses of 306 Spruce Avenue. Therefore, staff recommends that the Oversight Board approve one-year Lease Amendments for both Sitike and the Health Center.

Market rent conditions have not significantly changed from last year; therefore staff recommends that the Oversight Board maintain the tenants' rent at their current rates. Sitike will continue to pay \$1.03 per square foot for a total payment of \$5,858.64 per month. The County will continue to pay \$1.34 per square foot for a total payment of \$8,370.89 per month. Staff believes that the rental rate of \$1.03 to \$1.34 per square foot is reasonable for an older building in the downtown core.

Both tenants will continue to have lease provisions giving them 6-month notices to vacate. This is a reasonable provision given the complexities of moving large operations and the difficulty involved in securing a suitable space that meets their size and accessibility requirements.

CONCLUSION:

Staff is recommending the Oversight Board approve one year lease extension amendments with a six-month notice to vacate without cause for Sitike Counseling Center and the County Health Center. Sitike will continue to pay \$5,858.64 per month and the Health Center \$8,370.89 per month. Combined, the tenants will generate \$170,754.40 per year in revenues. Funds will be deposited into the Redevelopment Property Tax Trust Fund (RPTTF) to pay for expenditures approved in the City's Recognized Payment Obligation Schedule (ROPS).

It is recommended that the Oversight Board adopt resolutions authorizing amendments to the Lease Agreements with Sitike Counseling Center and the County of San Mateo for the facility at 306 Spruce Avenue and authorize the Successor Agency Executive Director or his designee to execute the Lease Amendments. The final form of the sublease agreements, however, is subject to Successor Agency Attorney approval.

By: 
Marty Van Duyn
Assistant City Manager

Attachments: Resolutions
Sitike Lease Amendment
San Mateo County Lease Amendment

RESOLUTION NO. ____

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

RESOLUTION OF OVERSIGHT BOARD APPROVING AN
AMENDMENT TO THE LEASE AGREEMENT WITH THE
COUNTY OF SAN MATEO FOR THE FACILITY AT 306
SPRUCE AVENUE

WHEREAS, on May 2, 2011, the City of South San Francisco (“City”) acquired that certain real property located at 306 Spruce Avenue in South San Francisco, California (“Property”) from the former City of South San Francisco Redevelopment Agency (“Agency”); and

WHEREAS, the Property succeeded to and was acquired by the Successor Agency to the City of South San Francisco Redevelopment Agency (“Successor Agency”) pursuant to ABx1 26 and AB 1484;

WHEREAS, a portion of the Property is leased to the County of San Mateo (“Lessee”) for a Health Center, pursuant to that certain Retail Lease Agreement dated April 4, 2000, as amended from time to time (“Lease Agreement”); and

WHEREAS, on August 14, 2012, the Oversight Board for the Successor Agency approved an amendment to the Lease Agreement extending the term thereof for one year, to and including October 31, 2013; and

WHEREAS, the Successor Agency and Lessee desire to extend the term of the Lease Agreement for an additional year, to and including October 31, 2014, pending the Successor Agency’s preparation of a Long Term Property Management Plan (“LTPMP”) and approval of the LTPMP by the Oversight Board and the California Department of Finance; and

WHEREAS, the Successor Agency recommends amending the Lease Agreement, including extending the term of the Lease Agreement for one (1) year at the current rent, and permitting the Successor Agency to terminate the Lease Agreement without cause upon six months’ written notice to Lessee.

NOW, THEREFORE, the Oversight Board, does hereby:

1. Approve an Amendment to the Lease Agreement with the County of San Mateo, conditioned on Lessee’s timely execution and submission of all required documents.
2. Authorize the Successor Agency’s Executive Director or designee to (i) execute the Amendment to the Lease Agreement on behalf of the Successor Agency and Oversight Board, (ii) subject to the approval of the

Successor Agency Attorney, make revisions to the Sublease that do not materially or substantially increase the Successor Agency's obligations thereunder; and (iii) take such other actions reasonably necessary to carry out the intent of this Resolution.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Oversight Board for the Successor Agency to the City of South San Francisco Redevelopment Agency at a meeting held on the 14th day of August, 2013 by the following vote:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____

ATTEST: _____
City Clerk

2123819.1

RESOLUTION NO. ____

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

RESOLUTION OF OVERSIGHT BOARD APPROVING AN
AMENDMENT TO THE LEASE AGREEMENT WITH SITIKE
COUNSELING CENTER FOR THE FACILITY AT 306
SPRUCE AVENUE

WHEREAS, on May 2, 2011, the City of South San Francisco (“**City**”) acquired that certain real property located at 306 Spruce Avenue in South San Francisco, California (“**Property**”) from the former City of South San Francisco Redevelopment Agency (“**Agency**”); and

WHEREAS, the Property succeeded to and was acquired by the Successor Agency to the City of South San Francisco Redevelopment Agency (“**Successor Agency**”) pursuant to ABx1 26 and AB 1484;

WHEREAS, a portion of the Property is leased to the Sitike Counseling Center (“**Lessee**”) pursuant to that certain Retail Lease Agreement dated December 2, 1996, as amended from time to time (“**Lease Agreement**”); and

WHEREAS, in 2007 Lessee exercised its option to extend the term of the Lease Agreement for five (5) years through February 28, 2012, continuing month to month thereafter; and,

WHEREAS, on August 14, 2012, the Oversight Board for the Successor Agency approved an amendment to the Lease Agreement extending the term thereof for one year, to and including August 31, 2013; and

WHEREAS, the Successor Agency and Lessee desire to extend the term of the Lease Agreement for an additional year, to and including August 31, 2014, pending the Successor Agency’s preparation of a Long Term Property Management Plan (“**LTPMP**”) and approval of the LTPMP by the Oversight Board and the California Department of Finance; and

WHEREAS, the Successor Agency recommends amending the Lease Agreement, including extending the term of the Lease Agreement for one (1) year at the current rent, and permitting the Successor Agency to terminate the Lease Agreement without cause upon six months’ written notice to Lessee.

NOW, THEREFORE, the Oversight Board, does hereby:

1. Approve an Amendment to the Lease Agreement with the Sitike Counseling Center, conditioned on Lessee’s timely execution and submission of all required documents.

2. Authorize the Successor Agency's Executive Director or designee to (i) execute the Amendment to the Lease Agreement on behalf of the Successor Agency and Oversight Board, (ii) subject to the approval of the Successor Agency Attorney, make revisions to the Sublease that do not materially or substantially increase the Successor Agency's obligations thereunder; and (iii) take such other actions reasonably necessary to carry out the intent of this Resolution.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Oversight Board for the Successor Agency to the City of South San Francisco Redevelopment Agency at a meeting held on the 14th day of August, 2013 by the following vote:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____

ATTEST: _____
City Clerk

2123800.1

AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE (“**Amendment**”) is entered into effective as of October 1, 2013 (“**Effective Date**”), by and between the Successor Agency to the City of South San Francisco Redevelopment Agency, a public entity (“**Lessor**” or “**Successor Agency**”) and the County of San Mateo, a political subdivision of the State of California (“**Lessee**”). Lessor and Lessee are hereinafter collectively referred to as the “**Parties**”.

RECITALS

- A. On March 13, 2013, the Lessor acquired that certain real property located at 306 Spruce Avenue in South San Francisco, California (“**Property**”) from the City of South San Francisco pursuant to Resolution No. 6-2013.
- B. The Property is subject to that certain Lease Agreement (“**Lease**”) dated April 4, 2000 by and between the Agency and the County of San Mateo (“**County**”) pursuant to which the County leased the second floor of that certain building located on the Property (“**Premises**”) to operate a health services clinic.
- C. On March 13, 2013, the Successor Agency assumed the Lease from the City of South San Francisco pursuant to Resolution No. 6-2013.
- D. The original term of the Lease expired on September 30, 2011 and was extended for one year through September 30, 2012.
- E. The term of the Lease was extended a second time for one year through October 31, 2013.
- F. The Parties now desire to further amend the Lease pursuant to the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Term of the Lease. The Term of the Lease shall be extended for one (1) year, commencing on November 1, 2013 and continuing through October 31, 2014 under the same terms and conditions as contained in the Lease and any amendment thereto except as specifically set forth herein.
2. Rent. Commencing on the Effective Date, the Base Rent shall be \$8,370.89 per month.
3. 6-Month Notice to Terminate. Notwithstanding anything to the contrary contained in the Lease, commencing on May 1, 2014, Lessor may terminate the Lease six (6) months after delivery of a written notice to vacate the Premises. Termination of the Lease will be effective

six (6) months after Lessee's receipt of written notice.

4. Parties. The term "Agency" as used in the Lease shall mean the Successor Agency as the Redevelopment Agency's and City's successor in interest.
5. Amendment. The Lease may be further amended or modified only by a written instrument executed by the Parties.
6. Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Amendment.
7. Action or Approval. Whenever action and/or approval by Lessor is required under this Lease as amended hereby, Lessor's Executive Director or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the Executive Director determines in his or her discretion that such action or approval requires referral to Lessor's Governing Board for consideration.
8. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument.
9. Severability. If any term, provision, or condition of this Amendment is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Amendment shall continue in full force and effect unless an essential purpose of this Amendment is defeated by such invalidity or unenforceability.
10. No Third Party Beneficiaries. Nothing contained in this Amendment is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.
11. Entire Agreement. This Amendment contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements between the Parties with respect thereto.
12. Authorization. The undersigned each hereby represent and warrant that each is duly authorized to execute this Amendment.
13. Effectiveness of Lease. Except as expressly set forth in this Amendment, the Lease remains unmodified and in full force and effect.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment as of the date first written above.

**Successor Agency to the Redevelopment Agency
of the City of South San Francisco,
a public entity**

By: _____

Its: _____

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

**County of San Mateo,
a political subdivision of the State of California**

By: _____

Its: _____

ATTEST:

By: _____
County Clerk

APPROVED AS TO FORM:

By: _____
County Counsel

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT (“**Amendment**”) is entered into effective as of September 1, 2013 (“**Effective Date**”), by and between the Successor Agency to the City of South San Francisco Redevelopment Agency, a public entity (“**Lessor**”) and Sitike Counseling Center, a California nonprofit public benefit corporation (“**Lessee**”). Lessor and Lessee are hereinafter collectively referred to as the “**Parties**”.

RECITALS

- A. The Lessee and Janet Siniora entered into that certain Retail Lease Agreement dated December 2, 1996 (the “**Lease**”) pursuant to which Lessee leases the entire first floor (the “**Premises**”) of that certain building located at 306 Spruce Avenue, South San Francisco, CA (the “**Building**”).
- B. On March 13, 2013, the Lessor acquired fee ownership of that certain real property located at 306 Spruce Avenue in South San Francisco, California (“**Property**”) from the City of South San Francisco pursuant to Resolution No. 6-2013.
- C. The original term of the Lease expired February 28, 2007.
- D. Lessee exercised its option to extend the term of the Lease for an additional period of five (5) years commencing March 1, 2007, through February 28, 2012.
- E. In 2012 the Lease was amended to extend the term thereof for one year, commencing on September 1, 2012, through August 31, 2013.
- F. The Parties now desire to further amend the Lease pursuant to the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Term of the Lease. Notwithstanding anything to the contrary contained in the Lease, as amended from time to time, the term of the Lease shall be extended for one (1) year, commencing on September 1, 2013 and continuing through August 31, 2014 under the same terms and conditions as contained in the Lease and any amendment(s) thereto except as specifically set forth herein.
2. Rent. Commencing on September 1, 2013 the monthly rental payment shall be \$5,858.64.
3. 6-Month Notice to Terminate. Notwithstanding anything to the contrary contained in the Lease, commencing on March 1, 2014, Lessor may terminate the Lease six (6) months after delivery of a written notice to vacate the Premises. Termination of the Lease will be effective

six (6) months after Lessee's receipt of written notice.

4. Amendment. The Lease may be further amended or modified only by a written instrument executed by the Parties.
5. Construction. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Amendment.
6. Action or Approval. Whenever action and/or approval by Lessor is required under this Lease as amended hereby, Lessor's Executive Director or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the Executive Director determines in his or her discretion that such action or approval requires referral to Lessor's Governing Body for consideration.
7. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which taken together shall constitute one instrument.
8. Severability. If any term, provision, or condition of this Amendment is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Amendment shall continue in full force and effect unless an essential purpose of this Amendment is defeated by such invalidity or unenforceability.
9. No Third Party Beneficiaries. Nothing contained in this Amendment is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.
10. Entire Agreement. This Amendment contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements between the Parties with respect thereto.
11. Authorization. The undersigned each hereby represent and warrant that each is duly authorized to execute this Amendment.
12. Effectiveness of Lease. Except as expressly set forth in this Amendment, the Lease remains unmodified and in full force and effect.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment as of the date first written above.

**Successor Agency to the Redevelopment Agency
of the City of South San Francisco,
a public entity**

By _____

Its: _____

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:

By _____
City Attorney

**Sitike Counseling Center,
a California nonprofit public benefit corporation**

By _____

Its _____

2123849.1



Redevelopment Successor Agency Oversight Board Staff Report

DATE: August 20, 2013

TO: Members of the Oversight Board

FROM: Jim Steele, Finance Director

SUBJECT: FRAMEWORK FOR DETERMINING FORMER RDA STAFFING COMPOSITION
FOR CALCULATING UNFUNDED RETIREMENT AND RETIREE HEALTH
LIABILITIES

SUMMARY/RECOMMENDATION

Staff has presented the Oversight Board with the historical staffing levels that supported the former Redevelopment Agency. Staff believes the unfunded retirement and retiree health obligations associated with these positions are valid obligations of the Successor Agency (SA) and should be listed in the Recognized Obligations Payment Schedule (ROPS) process, and has supplied an actuarial report to the Board to quantify those obligations. It is recommended that the Oversight Board discuss and come to agreement on which positions it will authorize in order to complete this ROPS obligation process. If the Board does not agree with specific positions or groupings of positions as obligations of the Successor Agency, it may want to consider a framework for determining the allowable composition of former Redevelopment Agency (RDA) staffing in order to develop a final unfunded liabilities cost estimate for future ROPS. Staff has outlined one framework that the Board may wish to use, below.

BACKGROUND/DISCUSSION

Staff originally had Bartel Associates (Bartel) prepare an actuarial projection for the former Redevelopment Agency (RDA) in 2012 based on the share of the RDA's payroll over the last three years of the Agency to total City payroll. (The last three years were the years for which comparable payroll data was able to be extracted from the new payroll system). The results of that original 2012 projection were an unfunded liability to the Successor Agency of \$2.766 million for retiree health costs and \$3.523 million for retirement costs.

Staff and the Oversight Board met several times and discussed this methodology of allocating liabilities strictly on payroll. As a result, the Oversight Board met with Doug Pryor, an actuary from Bartel Associates (Bartel) on March 12, 2013. As a result of the feedback from that meeting, staff provided Bartel with a revised listing of positions/employees and the time charged by those positions (FTEs) that supported the former RDA of South San Francisco. That listing was revised downward to reflect budgeted positions in years for which payroll data was not available, and was provided to the Board and to Bartel. The subsequent actuarial analysis by Bartel resulted in lowered actuarial estimates than had been estimated the prior year. Bartel estimated in a July 23, 2013 report that the unfunded liabilities to the Successor Agency to be less than half the initial estimate:

Staff Report

Subject: Framework for Allocating Former RDA Position Unfunded
Costs to the Successor Agency

Page 2

CalPERS Retirement Unfunded Liability	\$ 970,000
Retiree Health (OPEB*) Unfunded Liability	<u>\$1,145,000</u>
Total Unfunded Liabilities:	\$2,115,000

*OPEB stands for Other Post-Employment Benefits

Staff believes these costs should be included in future ROPS beginning as soon as possible, to allow for a smoother payment plan over time, as the longer this issue is delayed, the steeper the payback would likely need to be. Staff believes, as outlined below, these positions allocated to Redevelopment are justified and valid obligations that the State will agree to if the Board adopts the appropriate findings via resolution at a later date.

The Board has not, however, come to an agreement on the specific positions to be allowed as part of the calculation. In order to facilitate a decision by the Board, staff has written this staff report in three parts. First is staff's proposal and justification for inclusion of the specific positions presented. Second, after staff's summary and justification, general questions the Board has asked over the months are presented, along with staff's responses to those questions, which form the rationale for why the positions presented to the Board meet the test of being obligations of the Successor Agency. Third, the Board is presented with a framework it can use to test staff's arguments on the specific positions that have supported RDA in the past. Staff hopes that the Board will either approve the position listing, or alternatively go through a discussion process to identify which positions it can agree to including in a final actuarial analysis. With that information, the actuary can revise the actuarial report if need be to reflect the positions the Board agrees are valid obligations of the Successor Agency. After that step is done, a payment plan can be made to have this obligation paid over time through the ROPS process.

I. Positions Charged to the Former Redevelopment Agency:

Staff has presented a revised listing of positions to the Board reflecting what has been charged to the Redevelopment Agency since 1996. That listing is shown as Attachment 1. In the early years of the Redevelopment Agency, as tax increment was lower, only .5 FTE were charged to redevelopment. Beginning in 2002, 1.3 FTE were charged, rising to 7.32 FTE in 2005 corresponding to the fiscal merger which freed up tax increment. By 2007, 10.82 FTE were charged, rising to the final total of 17.95 FTE in 2011-12. The actuary took into account the staffing changes over time in his revised calculation. That is to say, the calculation took into account that not all 17.95 FTE positions were charged since 1996. That is a significant factor for the significant decline in the estimate from the version Bartel did last year, which was based only on more recent salary data.

In the early years of the Agency, the only positions charged to the Agency consisted of Economic Development and City Manager/Assistant City Manager. Later (2000), additional Economic Development staff was charged. By 2002, additional Planning staff was charged. By 2005, Downtown Police patrol staff was added, along with Engineering staff, Building Inspectors, and Finance staff. Park Maintenance staff was added to the mix in 2006, reflecting the landscape work done in the downtown area, along with enhanced code enforcement efforts, and .6 Literacy Services staff. The latter, through teaching and outreach efforts, fostered an environment that would make employment of South San Franciscans residing in the downtown area more likely consistent with goals of the Redevelopment Plan.

II. General Questions from the Board:

The following are the types of questions the Board has asked over the past several months related to the above staffing composition, followed by staff's responses and justifications/rationale:

1. Why are actuarially determined costs a valid obligation of the former Redevelopment Agency? Why aren't actual costs used?
 - a. An appropriate share of the total costs of employees that provided services to the Redevelopment Agency is a valid obligation of the Successor Agency. The State has agreed to this, both by funding other SA's liabilities (such as Redwood City), and by specifically stating that it finds those costs valid, as long as the Oversight Board has considered a valid way of apportioning those costs. The Agency had been paying retirement costs to PERS for the positions listed on Attachment 1. Those retirement costs are by definition actuarially determined, they are not "actual" costs. Actual costs won't be known until the last former RDA employee stops drawing PERS or health benefits in the future. PERS and retiree health costs are actuarial estimates. South San Francisco has a contractually obligated (through the bargaining process) commitment in all of its bargaining agreements with labor units and employee associations to fund retiree health costs and PERS retirement costs.

In its November 20, 2012 letter to Chairman Cullen, the State Department of Finance (DOF) stated as follows, which staff believes supports the rationale that staff has been presenting to the Board:

"The DOF expects that in most cases unfunded costs for pensions and other employee benefits will be determined to be enforceable obligations, *regardless of whether the employees were employed by the RDA or were City employees performing work for the RDA...* Specifically, in regards to the South San Francisco SA's intent to include the alleged unfunded pension and retiree health costs in the ROPS, *Finance does not ...have an official position* (emphasis added). If such costs are included on ROPS 4, Finance will examine whether the repayment is reasonable. In particular, we will examine whether the repayments are proportionate to the percentage of work time that the impacted employees dedicated to the former RDA, as well as the tasks performed by the employees while their salaries were being funded by the former RDA (emphasis added)" (This last sentence is indicative of the due diligence questions the Board is asking now, and which is the subject of this staff report).

- b. Many agencies began paying the full cost of retiree health obligations, particularly after accounting rules changed in the mid 2000's. To staff's knowledge, none of those agencies had their retiree health costs questioned by the State while Redevelopment Agencies were still operating. In parallel to this issue, the City began charging the full costs for non-General Fund departments with their own dedicated revenue sources (Parking District and Sewer/Treatment Plant employees) in 2012, but the dissolution of the Redevelopment Agency prevented the City from also charging those same costs to redevelopment. Otherwise, those would have been included in ongoing redevelopment budgets. Finally, it is worth pointing out that the City Council has set aside \$11.7 million to date out of its

total of \$86 million towards the OPEB liability. These are valid expenses, some of which are liabilities of the Successor Agency.

2. How were positions allocated to the RDA in the past?
Positions were charged or were allocated to the RDA in the past based on the time they spent either:
 - a. Planning for or carrying out programs that either eliminated blight or
 - b. Planning for or carrying out programs that fostered economic development, jobs, and growth, or
 - c. Carrying out administrative functions needed to support RDA programs.
3. Some positions appear to be ones that are not development related, such as Police Officers, Building and Code Enforcement, and/or Literacy Services Coordinators. How can those be justified as attributable to the former RDA?
 - a. Police Officers: The Redevelopment 5 Year Plan (“the Plan”) identified crime as one of the problems to be addressed through redevelopment efforts (pages 16-17, Attachment 3). The presence of crime inhibits business investment, causes blight, prevents new businesses from locating in those areas, particularly downtown, and discourages shopping by residents. Reducing crime is fundamental for eliminating blight, and the downtown project area has a higher proportion of crime than other areas of the City. The RDA specifically paid for the Bicycle Patrol staff that enhanced Police services to the downtown beyond those normally provided by the Police.

Staff believes this is consistent with what the State Health and Safety Code (that governed the Redevelopment Process in California) Section 33031 says in defining blight to include:

“(7) A high crime rate that constitutes a serious threat to the public safety and welfare.”

Section 33039 of the Health and Safety Code further states that:

“The Legislature of the State of California recognizes that among the principal causes of slum and blighted residential areas are the following factors: *(a) Inadequate enforcement of health, building, and safety laws.*..... It is, therefore, declared to be the public policy of this State that, in order to cope with the problems of the rehabilitation of slum or blighted areas, *these factors shall be taken into consideration in any rehabilitation or redevelopment program.*”

Finally, Section 33035 of the Health and Safety Code further states that:

“(b) Such blighted areas ...contribute substantially and increasingly to the problems of, and necessitate excessive and disproportionate expenditures for, crime prevention, correction, prosecution, and punishment, the treatment of juvenile delinquency, the preservation of the public health and safety, and the maintaining of adequate police, fire, and accident protection and other public services and facilities....(e) The benefits which

will result from the remedying of such conditions and the redevelopment of blighted areas will accrue to all the inhabitants and property owners of the communities in which they exist.”

Jim Kennedy, a former Director of the California Redevelopment Association, has also been quoted in an article as saying:

“it’s not uncommon for cities to use redevelopment funds to cover at least some portion of city workers’ pay, though the amounts can vary significantly....*Funding Police services is also consistent with redevelopment law, Kennedy said, as long as those services are used to mitigate gang activity, graffiti abatement and other causes of community blight.*” (Emphasis added, from “Oakland North” website, posted January 10, 2012)”

<http://oaklandnorth.net/2012/01/10/oaklands-redevelopment-agency-dollars-a-breakdown-of-how-the-city-used-them/>

- b. Building and Code Enforcement Staff: The same section of the Health and Safety Code mentioned above (33039) having to do with building safety and blight applies here.
 - c. Literacy Services Coordinators: The Literacy Service Coordinator is a position classification in the City’s personnel system. These positions’ roles included serving as downtown business liaisons, bilingual services and Learning Center job training. These positions are consistent with Agency goals to promote economic development by providing additional employment opportunities for South San Francisco residents (the Plan, page 3).
4. Were any of the positions listed subsequently eliminated or laid off after RDA was terminated?

No. The City is now getting sufficient tax increment from the former RDA project areas annually to pay for those additional positions and services, so layoffs are unnecessary. The community and the Council support continuing the higher level of services that the community has become accustomed to.

5. Did the City of Redwood City include any of these types of positions in its allocation that was approved by its Oversight Board?

Yes, Redwood City, with a total tax increment budgeted of \$12.5 million in 2011-12 (compared with \$36 million for SSF), allocated 13.5 FTE to RDA. This was a much higher share of support than in South San Francisco, with a maximum of 17.95 FTE. Specifically, Redwood City allocated the positions shown on Attachment 2, including Code Enforcement, Parks and Recreation, Finance staff, Planning staff, and clerical staff. Except for Recreation staff, which South San Francisco did not charge to redevelopment, these other positions are all consistent with South San Francisco’s practice. Staff again points out that the State has approved these position allocations as a ROPS obligation for Redwood City.

III. Framework for Weighing Each Position or Class of Positions:

Staff believes the information given to the Oversight Board and summarized above form an adequate basis for its proposing to charge a maximum total of 17.95 FTE’s unfunded liabilities to the

Redevelopment Agency as shown on Attachment 1. If the Board is not comfortable approving the positions shown on Attachment 1 for inclusion in the actuarial report, then it may want to consider the following questions in order to determine which positions it believes are valid obligations of the Successor Agency. (The Board may very well think of other criteria; staff has suggested the following as a starting place):

1. For program staff, does the position/group of positions directly support either:

- a. Redevelopment project area activities with services or service enhancements necessary to eliminate blight? Services and service enhancements include actions such as implementing blight reduction programs, reviewing redevelopment plans, preparing redevelopment reports, preparing or reviewing financial projections, or preparing or reviewing development agreements? Or, alternatively, directly support.
- b. Enhanced or intensified levels of activities in redevelopment project areas that are needed to address specific problems or activities in that redevelopment project area related to blight? These problems or activities may also be present in non-project areas, but at lower levels, not requiring the extra staffing component. Specifically, is it reasonable to assume that higher levels of service are required to eliminate blight or promote economic development in redevelopment project areas?

- Yes, the position/group of positions directly supported the redevelopment project area with services or service enhancements necessary to eliminate blight.
- Yes, the position/group of positions directly supported the redevelopment project but the amount of staffing does not seem reasonable given the total staffing the City had in this classification.

If the level of staffing does not seem reasonable, what criteria can the Board specifically suggest to obtain a reasonable staffing estimate for this function? What information would help the Board reach a decision?

- No, this position/group of positions did not support the redevelopment project area or was not consistent with the intent of redevelopment.

2. For administrative or management staff, does this position/group of positions directly support or oversee the administrative tasks necessary to carry out the Redevelopment Agency's activities such as preparing and filing redevelopment reports, monitoring property tax receipts, preparing budget and financial projections, reviewing and processing redevelopment related invoices for payment, making Redevelopment Agency payments, maintaining RDA records and ledgers in the accounting system, filing required bond reports, reporting to bond agencies, preparing RDA agendas and minutes, staffing RDA public meetings, filing RDA official records, and maintaining the computer infrastructure needed to link redevelopment and administrative staff working on redevelopment to the City's computer, software, and phone systems?

- Yes, the position/group of positions directly supported the redevelopment project area with administrative or oversight/management services necessary for redevelopment programs to be carried out?

- Yes, the position/group of positions directly supported the redevelopment project area with administrative or oversight/management services, but the amount of staffing does not seem reasonable given the total staffing the City had in this classification.

If the amount of staffing does not seem reasonable, what criteria can the Board specifically suggest to obtain a reasonable staffing estimate for this function? What information would help the Board reach a decision?

- No, this position/group of positions does not support a reasonable allocation of administration or oversight effort to the redevelopment project areas.

Through these deliberations themselves, the Board is helping define what criteria are valid to use in coming up with unfunded employee costs. Staff believes that this is precisely the type of deliberation the State Department of Finance will look toward in reviewing any future ROPS that include unfunded employee costs.

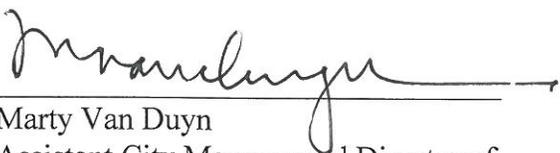
CONCLUSION:

Staff recommends that the Board take one of the following actions:

- a. Approve the specific positions shown on Attachment 1 and direct staff to return with a resolution adopting findings to include the related unfunded employee costs associated with these staff in future ROPS, and a suggested funding plan; or
- b. Indicate which positions on Attachment I it will agree to as enforceable obligations of the Successor Agency. Staff will then return with a revised actuarial report (based on revised staffing numbers) from Bartel Associates, along with a resolution for the Board to adopt findings to include those costs on future ROPS, and a suggested funding plan.

By: 

Jim Steele
Finance Director

Approved: 

Marty Van Duyn
Assistant City Manager and Director of
Economic and Community Development

Attachments: Attachment 1 – Revised Position Listing
Attachment 2 – Redwood City Approved Enforceable Obligation Information,
Including Positions
Attachment 3 – 2005 Redevelopment 5 Year Plan Pages

Attachment 1
RDA Services Provided by City
Data provided to Bartel Associates

Department	Position	Description of Duties in RDA	1996 FTE	1997 FTE	1999 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	2011 FTE	2012 FTE	Tot. Similar Postions Citywide	Total FTE in This Work Area	RDA Support in 2012 as % of this Work Area *
CITY CLERK	DEPUTY CITY CLERK	Prorated share of managing Redevelopment Agency Board's business pertaining to the Redevelopment Agency's activities. Responsibilities between different City Clerk staff varied from year to year.										1.00	1.00	1.00	3.00	
	Sub-Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	3.00
CITY MANAGER	CITY MANAGER	Prorated share of managing Redevelopment Agency .	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	1.00	1.00	
	ASST CITY MANAGER		0.10	0.10	0.10	0.10	0.10	0.10	0.20	0.30	0.40	0.40	0.40	1.00	1.00	
	ASST TO CITY MANAGER				0.20	0.20	0.20	0.20	0.16		0.10	0.10	0.10	1.00	1.00	
	Sub-Total		0.30	0.30	0.50	0.50	0.50	0.50	0.56	0.50	0.70	0.70	0.70	0.70	3.00	3.00
FINANCE	ACCOUNTANT I/II	Redevelopment accounting, reviews General Ledger transactions, makes correcting journal entries, prepares financial statements, reviews bank statements and reconciles cash, pays bond debt service, prepares reports, etc.										1.00	1.00	1.00	3.00	
	DIRECTOR OF FINANCE	General RDA financial oversight, 2005 work included fiscal merger	0.10	0.10	0.10	0.10				0.20				1.00	1.00	
	ACCOUNTING ASST II	Preparation of accounts payable checks, purchase orders, payroll processing, payroll reporting, receipt of rent revenue and property tax revenue payments, routine journal entries.											1.00	1.00	4.00	6.00

* Note, % comparison is for 2012, the year with the highest FTE charged to RDA. Bartel analysis took into account the changing staffing over time, ie., took into account earlier years with fewer FTE.

Department	Position	Description of Duties in RDA	1996 FTE	1997 FTE	1999 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	2011 FTE	2012 FTE	Tot. Similar Postions Citywide	Total FTE in This Work Area	RDA Support in 2012 as % of this Work Area *
FINANCE con't	SENIOR FINANCIAL ANALYST	Analytical work related to budget, finance and reporting: files state controller's report, reports internally on budget to actuals, assists RDA staff in running financial reports, prepares budget adjustments, financial projections for capital planning, prepares reports internally for Council, Successor Agency and Oversight Board									1.00	1.00	1.00	2.00	2.00	
	Sub-Total		0.10	0.10	0.10	0.10	0.00	0.00	0.50	0.70	1.00	3.00	3.00	8.00	12.00	25.0%
FIRE	FIRE PREVENTION OFFICER/CODE ENFORCEMENT	Economic Blight, Section 33031 (b) - Identifying and addressing code violations and blight in the redevelopment areas. (Total staffing includes regular plus hourly staffing)								2.00	2.00	2.00	2.00	5.00	5.00	
	Sub-Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	5.00	5.00	40.0%
INFORMATION TECHNOLOGY	INFORMATION SYSTEMS ADMINISTRATOR	Responsible for the ongoing maintenance of the Redevelopment Agency's information technology systems										1.00	1.00	2.00	5.00	
	Sub-Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	2.00	5.00	20.0%

* Note, % comparison is for 2012, the year with the highest FTE charged to RDA. Bartel analysis took into account the changing staffing over time, ie., took into account earlier years with fewer FTE.

Department	Position	Description of Duties in RDA	1996 FTE	1997 FTE	1999 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	2011 FTE	2012 FTE	Tot. Similar Postions Citywide	Total FTE in This Work Area	RDA Support in 2012 as % of this Work Area *
LIB LEARNING CTR	LITERACY SERVICES COORDINATOR	Economic Blight, Section 33031 (b) - Spanish/English and Chinese/English bilingual staff worked with downtown merchants, landlords, chamber of commerce and realtors to disseminate information on downtown redevelopment and improvements projects; organized, coordinated and led business education classes on business plans, marketing and other business function; worked with police department and merchants to reduce street crime, vandalism and litter . NOTE: work title is only for staff classification level within the City and does not relate to all of the duties of the position.														
	LITERACY PROGRAM MANAGER	Economic Blight, Section 33031 (b) - Supervision of Services Coordinator, including assistance developing and carrying out work program of Literacy Services Manager.									0.50	0.50	0.50	2.00	See below	
											0.10	0.10	0.10	2.00	9.78	
		Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.60	0.60	4.00	9.78	6.1%
POLICE DEPT	PARKING ENFORCEMENT OFFICER	Economic Blight, Section 33031 (b) - Abandoned vehicles, ticketing vehicles, facilitates visits to downtown by ensuring efficient parking/traffic flow.										1.00	1.00	4.00	4.00	

* Note, % comparison is for 2012, the year with the highest FTE charged to RDA. Bartel analysis took into account the changing staffing over time, ie., took into account earlier years with fewer FTE.

Department	Position	Description of Duties in RDA	1996 FTE	1997 FTE	1999 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	2011 FTE	2012 FTE	Tot. Similar Postions Citywide	Total FTE in This Work Area	RDA Support in 2012 as % of this Work Area *
POLICE DEPT con't	POLICE OFFICER	Economic Blight, Section 33031 (b) - Police staff provide enhanced foot and downtown bike patrol services, including opening a police substation in the downtown to increase services to the downtown district not generally provided by regular police patrol. Services included preemptive mitigation and resolution of problems caused by residential overcrowding in SRO hotels, social service providers, gang activity and an excess of bars and liquor stores. Worked with downtown merchants, Chamber of Commerce and Literacy Program Coordinator to improve business environment by promoting crime prevention measures and reducing crime and other serious threats to public safety and welfare. Bike Patrol														
											2.00	2.00	2.00	2.00	49.00	83.00
										Fukushima ; McHale	Devan; Wesselius	Alfaro; Alvarado	Alvarado ; Reinoso		Total Sworn	
		Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	3.00	3.00	53.00	87.00	3.4%
PUBLIC WORKS	ADMINISTRATIVE ASSISTANT I/II	Share of support staff for City Engineers' work on projects in the redevelopment areas.					0.00	0.10	0.10	0.10	0.20	0.70	0.70	11.00	1.00	

* Note, % comparison is for 2012, the year with the highest FTE charged to RDA. Bartel analysis took into account the changing staffing over time, ie., took into account earlier years with fewer FTE.

Department	Position	Description of Duties in RDA	1996 FTE	1997 FTE	1999 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	2011 FTE	2012 FTE	Tot. Similar Postions Citywide	Total FTE in This Work Area	RDA Support in 2012 as % of this Work Area *
PUBLIC WORKS con't	SR CIVIL ENGINEER	Prorated share Engineering staff reviewing and inspecting infrastructure improvements related to new housing and commercial development in the City's four redevelopment areas.								1.00	1.00	1.00	1.00	3.00	3.00	
		Sub-Total	0.00	0.00	0.00	0.00	0.00	0.10	0.10	1.10	1.20	1.70	1.70	14.00	9.00	18.9%
PARK MAINT	PARK MAINT WORKER	Economic Blight, Section 33031 (b) - Staff position responsible for the landscaping and cleanliness of the Redevelopment Agency's extensive property portfolio of 32 commercial and residential properties, and public sidewalk and median landscaping in downtown.														
		Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	14.00	14.00	7.1%
ECON & COMM DEV	ECONOMIC & COMMUNITY DEVELOPMENT DIRECTOR	Managed Redevelopment Agency's housing and commercial programs and projects.														
			0.10	0.10	0.10	0.10	0.10	0.10						1.00	1.00	
	ECONOMIC DEVELOPMENT COORDINATOR	Managed Redevelopment Agency's housing and commercial programs and projects.														
												1.00	1.00	1.00	3.50	
	MANAGER OF HOUSING & REDEVEL	Supervised Redevelopment Agency staff, programs and projects and State reports, provide additional liaison work w/ downtown merchants.														
							0.00	0.08	0.17	0.17	0.17	0.40	0.40	1.00	1.00	

* Note, % comparison is for 2012, the year with the highest FTE charged to RDA. Bartel analysis took into account the changing staffing over time, ie., took into account earlier years with fewer FTE.

Department	Position	Description of Duties in RDA	1996 FTE	1997 FTE	1999 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	2011 FTE	2012 FTE	Tot. Similar Postions Citywide	Total FTE in This Work Area	RDA Support in 2012 as % of this Work Area *
ECON & COMM DEV con't	ASSOCIATE PLANNER	Prorated share for reviewing housing and commercial development projects in the City's four redevelopment areas, including advanced planning and zoning tasks to promote redevelopment.										1.00	1.00	3.00	3.00	
	SENIOR PLANNER	Prorated share for reviewing housing and commercial development projects in the City's four redevelopment areas, including advanced planning and zoning tasks to promote redevelopment.					0.70	0.70	0.70	0.85	0.85	0.85	1.35	2.00	2.00	
	BUILDING INSPECTOR	Prorated share of inspections to redevelopment projects and properties in the redevelopment project areas, primarily downtown.								0.20	0.20	0.20	0.20	1.00	5.00	
		Sub-Total		0.10	0.10	0.10	0.10	0.80	0.88	0.87	1.22	1.22	3.45	3.95	9.00	15.50
GRAND TOTALS			0.50	0.50	0.70	0.70	1.30	1.48	2.03	7.52	10.32	17.45	17.95	113.00	167.28	10.7%

* Note, % comparison is for 2012, the year with the highest FTE charged to RDA. Bartel analysis took into account the changing staffing over time, ie., took into account earlier years with fewer FTE.

RWC

Attachment 2^{P7}

Exhibit A 6. Unfunded Pension Liabilities Attachment 1

Exhibit A

UNFUNDED LIABILITIES

Unfunded Pension Liability	\$832,917
Unfunded Retiree Health Benefits Liability	\$1,253,892

6. Unfunded Pension Liabilities Attachment 2

REDWOOD CITY
Redevelopment Agency Housing Fund Unfunded Retiree Health Benefits Liability Calculations

806 Housing Fund	FTEs
<u>61240 Economic Development</u>	
C321 Community Development Supervisor	0.35
<u>66410 Administration</u>	
C321 Community Development Supervisor	0.45
C631 Executive Assistant	0.05
A100 City Manager	0.05
C445 Sr. Accountant	0.05
C320 Sr. Planner	0.05
C415 Assistant City Attorney	0.10
E735 Accounting Technician	0.10
A170 City Attorney	0.05
C815 RDA Project Manager	0.34
E600 Secretary	0.45
B130 CDD Director	0.15
C405 Com. Dev. Services Mgr.	0.20
Subtotal Administration	2.04
Total Housing Fund	2.39

Retiree Health Benefits Unfunded Liability	
Unfunded liability per FTE (1)	93,574
FY 2011-12 FTE's	2.39
Unfunded Retiree Health Benefits Liability	223,642

(1) source - June 30, 2011 Retiree Medical Benefit Actuarial Valuation

6. Unfunded Pension Liabilities Attachment 3

REDWOOD CITY

Redevelopment Agency General Fund Unfunded Retiree Health Benefits Liability Calculations

807 General Fund	FTEs
<u>61240 Economic Development</u>	
C816 Downtown Business Devel. Specialist	1
C321 Community Development Supervisor	0.65
Subtotal Economic Development	1.65
<u>66410 Administration</u>	
A100 City Manager	0.25
B135 Finance Director	0.15
C360 Financial Services Manager	0.05
C631 Executive Assistant	0.10
C445 Sr. Accountant	0.10
C321 Community Development Supervisor	0.75
C320 Sr. Planner	0.80
H700 Associate Planner	0.40
C415 Assistant City Attorney	0.10
A170 City Attorney	0.10
C815 RDA Project Manager	1.66
K750 Code Enforcement Officer I	1.00
H790 Comm. Dev. Specialist	2.00
E742 Rec & Community Specialist	1.00
C400 Parks, Rec. & Community Services Manager	0.50
E600 Secretary	0.70
B130 CDD Director	0.20
C405 Com. Dev. Manager	0.50
Subtotal Administration	10.36
Total Fund	<u>11.01</u>

Retiree Health Benefits Unfunded Liability	
Unfunded liability per FTE (1)	93,574
FY 2011-12 FTE's	11.01
Unfunded Retiree Health Benefits Liability	<u>1,030,250</u>

2.39 Housing

(1) source - June 30, 2011 Retiree Medical Benefit Actuarial Valuation

~~13.40 Total FTE~~
\$12.5 million in 11-12 in tax increment

Figure 1 shows the boundaries of the Project Areas under the Plan Amendments and Fiscal Merger and Table 1 summarizes the time and financial limits of the Project Areas under the Plan Amendments and Fiscal Merger.

3. Agency Accomplishments FY 1999/00 – FY 2003/04

This section describes the Agency accomplishments over the previous five years (FY 1999/00 – FY 2003/04). The Agency has undertaken many projects and activities in the Project Areas over the last five year Implementation Plan period. Agency efforts have been focused on the alleviation of blight through the following activities:

- **Infrastructure improvements** to major thoroughfares and residential streets to capitalize on the opportunities resulting from the BART station development and to open additional areas to development and redevelopment.
- **Business attraction activities to eliminate blighting conditions and provide additional employment opportunities for South San Francisco residents.**
- **Construction and rehabilitation** of public facilities such as parks and recreational facilities.
- **Redevelopment of existing vacant and underutilized land** to eliminate blighting conditions and provide South San Francisco residents with additional housing, employment and recreational opportunities.
- **Housing activities** to provide new affordable housing opportunities and to improve the City's existing housing stock.

Learning Center

Subsections a through d include a summary of projects and activities accomplished over the last five years by Project Area. Tables 2, 3, 4, 5 and 6, located at the end of this section, include the specific accomplishments by Redevelopment Program category over the same period.

a. Downtown/Central

The Agency has undertaken public infrastructure, parking and public facility improvements, economic development, property acquisition and affordable housing activities in the Downtown/Central Project Area. These include façade improvement, seismic retrofit and other rehabilitation of buildings; landscaping, street, circulation and public utility improvements; toxic remediation; property acquisition and disposition; parking development and meter upgrades; fire station, day care facility, health clinic and library development; facilitation of biotechnology and office building development; Single Room Occupancy (SRO) hotel rehabilitation; low income homeowner programs; affordable housing development; plans for the Caltrain Station; and implementation of the Downtown strategy. Refer to Table 2 for a summary of the Agency's projects and activities.

b. El Camino Corridor

The Agency has undertaken public infrastructure, public facility, economic development, property acquisition, and affordable housing activities in the El Camino Corridor Project Area. These include traffic and circulation improvements and analysis, street upgrades throughout the Project Area, facilitation of the Costco Wholesale retail development and related improvements, completion of a Transit Oriented Development plan for the BART station area, and assistance with mixed-use and affordable housing developments throughout the Project Area. Refer to Table 3 for a summary of Agency projects and activities.

Downtown/Central (Original and 2005 Added Area)

- Deterioration and dilapidation due to a lack of maintenance of structures.
- Unreinforced masonry buildings.
- Earthquake and flooding hazards.
- Numerous parcels contaminated with hazardous materials.
- Presence of trash, dumping and crime.
- Incompatible land uses.
- Impaired investments.
- Stagnant sales tax revenue and business decline.
- Residential overcrowding and problem businesses.
- Substandard design and maintenance of streets, utilities and public facilities.

Code Enforcement
+ Police Patrols

Code Enforcement

El Camino Corridor

- Deterioration and dilapidation due to a lack of maintenance of structures.
- Flooding hazards.
- Parcels contaminated with hazardous materials.
- Presence of trash, dumping and crime.
- Incompatible land uses.
- Irregularly shaped and/or inadequately sized parcels.
- Residential overcrowding and problem businesses.
- Circulation, infrastructure and public facilities deficiencies.

Code Enforcement

Gateway

- Poor soil conditions with associated development hazards.
- Earthquake hazards.
- Numerous parcels contaminated with hazardous materials.
- Irregular street patterns, inadequate circulation and presence of deteriorating defunct rail lines.
- Homeless encampments and graffiti.
- Vacant and underutilized parcels.

Shearwater

- Poor soil conditions with associated development hazards.
- Earthquake and flooding hazards.
- Parcels contaminated with hazardous materials.
- Inadequate circulation and public improvements.
- Vacant and underutilized parcels.

b. How the Agency's Proposed Goals, Objectives, Programs and Expenditures Will Eliminate Blighting Influences

The Redevelopment Program aims to continue to alleviate the blighting conditions that interfere with revitalization of the Project Areas by improving economic conditions, stimulating private development, improving public infrastructure, circulation, parking and facilities, and meeting the Agency's affordable housing obligation. The Redevelopment Program meets the CRL requirement that Agency expenditures be linked to the elimination of blighting conditions. Portions of the existing Project Areas suffer from a variety of physical and economic blighting conditions that must be alleviated if these areas are to continue their revitalization. The Added Area will benefit from a coherent revitalization and economic development strategy that is coordinated with the City's overall goals.

The Agency's proposed goals, objectives, programs and expenditures, as outlined in Sections B.1, B.2 and B.4, will help eliminate blighting influences in the Project Areas. Table 8 provides a matrix summarizing the relationship between proposed projects and activities and how they will eliminate blight.

Public Infrastructure, Circulation and Parking

The Agency's public infrastructure, circulation and parking projects and activities will ameliorate circulation problems throughout the Project Areas (except for Gateway), making both pedestrian and vehicular traffic safer and more pleasant. Improvements to deficient and inadequate public infrastructure will alleviate blighting conditions, including impediments to circulation and a lack of parking that deter revitalization in certain areas within the Project Areas. Remediation of street deficiencies will reduce traffic congestion and hazards and reduce the risk of motor vehicle accidents. Repair of missing or deteriorated curbs and sidewalks will lessen pedestrian hazards and increase pedestrian movement and accessibility.

Public Facilities

The Agency's public facility improvements will support the construction, rehabilitation and improvement of community facilities in the Downtown/Central and El Camino Corridor Project Areas in order to address that lack of adequate public facilities, such as transit facilities, fire stations, community centers, day care facilities, recreation facilities and a cultural arts center. Other public facilities deficiencies identified include a lack of parks and open space.

Economic Development

Incentives that address specific needs of existing businesses and enhance the City's ability to attract new businesses will attract high quality and appropriately located residential, commercial and industrial development to the Downtown/Central and El Camino Corridor Project Areas. The private investment will lead to the improvement of substandard and underutilized lots and buildings, as well as deteriorated and dilapidated buildings, as well as reduce perception of crime that hinders the economic vitality of portions of the Project Areas.

Perception of crime

Property Acquisition, Demolition and Site Preparation

Funding and other assistance to aid in property acquisition, demolition and site preparation in the Downtown/Central Project Area will encourage development on properties that appear on environmental monitoring lists and/or contain leaking underground fuel tanks and on large tracts of vacant and underutilized properties. Reduction of parcels characterized by adjacent or nearby incompatible uses and concentrations of problem businesses will spur economic development and reduce crime