



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, APRIL 15, 2014
2:00 P.M.

CALL TO ORDER

Time: 2:07 p.m.

ROLL CALL

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

PLEDGE OF ALLEGIANCE

Led by Boardmember Farrales

AGENDA REVIEW

Chairman Cullen requested that Item 3 be heard before Item 2.

COMMUNICATIONS FROM STAFF

Chairman Cullen asked for comments from staff on the replacement of former Boardmember Beaudin, who had left the City of South San Francisco.

Economic and Community Development Consultant Pat O'Keeffe stated that the Mayor was working on designating a staff member to fill the seat. Staff would make a recommendation to the Mayor who would make the appointment to be confirmed by the City Council. This was scheduled for the first City Council meeting in May.

PUBLIC COMMENTS

None.

MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes of the Regular Meeting of February 18, 2014.

Motion- Boardmember Scannell/Second- Boardmember Addiego- to approve the Minutes of the

Regular Meeting of February 18, 2014 as submitted. Unanimously approved by voice vote.

2. Study Session: Update on property disposition efforts for former Ford properties. (Armando Sanchez, Housing Consultant)

Chairman Cullen suggested that the Board discuss the Cypress property first before moving on to the Ford properties.

ECD Consultant Pat O’Keeffe announced that Housing Consultant Armando Sanchez would present this item.

Consultant Sanchez noted that staff was providing information on the properties to demonstrate to the Board that the City was aggressively pursuing the sale and disposition of properties as indicated in the Long Range Property Management Plan. Since it was possible that an Exclusive Negotiating Rights Agreement (ENRA) would need to be brought back to the Board for approval, this study session was required to keep the Board abreast of considerations, so as to make sure the projects would proceed efficiently. With an agreement in place, the City would be able to start negotiating in earnest with developers for a Purchase and Sale Agreement and also begin the design work on the properties. As stated in the staff report, when combined, the proposed projects would bring about 200 new units into the Downtown, with a valuation of \$120 million. Therefore, the taxing agencies would receive roughly \$1.2 million annually in property revenue. The taxing agencies would also receive the net proceeds from the sale of the properties. Due to the fact that there were many factors, such as environmental cleanup, that would affect the pricing of the properties, Consultant Sanchez could not provide a rough estimate of the potential sale revenues. However, the City’s starting negotiating point would definitely be market-rate value which was roughly estimated at \$90 per square foot. In summary, the developers are interested in the properties because of the City’s future activity under the Downtown Specific Plan which would significantly increase the Downtown’s density if approved. Without that approval, the projects proposed would not be permissible.

The Grand Cypress project was a small assemblage that was probably indicative of some of the other sites in the Downtown area. At current estimated rents this project would not really be feasible so the City Council agreed to consider using some of its Housing Funds to make 20 percent of the units affordable. This would be enough of an enticement to get the developer to pursue the project. The current proposal would create 37 to 40 units on that site with about 7,000 square feet of retail. There was one private property that separated another Successor Agency property and so another attempt would be made to acquire that property which would allow for 55 to 60 units at the site.

The developers interested in the Ford properties, as indicated in the staff report, were Thompson-Dorfman and a partnership consisting of Sares-Regis and Roger Stuhlmuller. They were interested in acquiring all 5 former Ford properties. As proposed by both developers, 150 to 160 units would be created. The lynchpin to this development would be the large 1 acre site on Airport Boulevard. The City had indicated it would look more favorably towards a proposal that would include all former Ford properties. Each developer had a variety of proposals in mind, one including a 2 level parking garage and others proposing a combination of condominiums and rentals. Both developers were interested in moving as quickly as possible which could require the Board’s and Department of Finance’s (DOF) approval on an ENRA.

In response to Chairman Cullen's query as to the City's preference between condominiums and rentals, Consultant Sanchez clarified that although the stability of long-term community investment by having ownership was always preferred, the market would dictate what would be possible and any development would be welcomed.

Boardmember Christensen stated that she would have to recuse herself if an ENRA was brought to the Board since Thompson-Dorfman built both housing projects for the Community College District's faculty and staff.

3. Resolution approving a License Agreement PG&E to temporarily use a vacant property on Antoinette Lane for a contractor office, a staging area and employee parking. (Pat O'Keeffe, Economic and Community Development Consultant)

ECD Consultant Pat O'Keeffe asked Economic Development Coordinator Mike Lappen to present the item since he was part of the negotiating group. In summary, Economic Development Coordinator Lappen explained this was the third time the City entered into an agreement with PG&E to use a portion of the PUC properties on Antoinette Lane near Chestnut Avenue. This work was related to gas line upgrades to Line 132. PG&E planned to do a permanent replacement of the line through South San Francisco including Antoinette Lane to Mission Road. Thus, a construction laydown site near the project would be needed. Staff was proposing PG&E use the former Ron price parking lot which is a fenced-off area on Antoinette Lane near the Pet Club. This site was less than two acres. In keeping with past practice, the City would be charging a rate of \$0.13 per square foot, which amounted to a monthly rent of \$9,386. PG&E would enter the property on June 1st, 2014 and the project would be finished on December 31st, 2014. At this point, he indicated that there was a representative of PG&E present to answer any of the Board's questions. When this item was presented to the Successor Agency, there were a number of questions related to the timing as well as conditions for securing the site so that it was not a nuisance in the area. As a result, there would be significant amount of screening onsite, noise and dust controls would be in place and there would be a limit on hours of operation to remain consistent with the City's Municipal Code. PG&E would be accepting any community complaints and its Community Representative would be addressing any of the neighborhood's concerns.

In response to a query by Boardmember Christensen as to whether this would require the approval of the Department of Finance, Coordinator Lappen noted that their review period would be 45 days. He added that the DOF had never opposed such short-term contracts.

In response to City Manager Mike Futrell's inquiry as to the size of the PG&E pipeline and whether it would have a bypass line, PG&E's representative, Janice Berman, stated that it was 30 inches and there would definitely be a bypass line in place. City Manager Futrell further questioned where the bypass would be located but PG&E's representative noted she would have to get back to him on that point.

Motion- Boardmember Scannell/Second- Boardmember Farrales- to approve Resolution 2-2014.

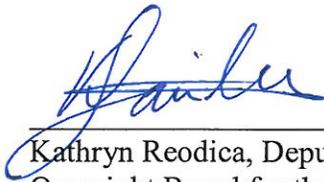
Unanimously approved by voice vote.

4. Future Agenda Items:
 - a) Consideration of revenue sharing agreement related to assignment of the Master Commercial Lease at 636 El Camino Real.

ADJOURNMENT

Chairperson Cullen adjourned the meeting at 2:34 p.m.

Submitted:



Kathryn Reodica, Deputy Clerk
Oversight Board for the Successor
Agency to the South San Francisco
Redevelopment Agency

Approved:



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