

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
OF THE CITY OF SANTA BARBARA  
OVERSIGHT BOARD MINUTES  
Thursday, September 20, 2012 – 3:00 p.m. to 5:30  
Casa Las Palmas - 323 E. Cabrillo Blvd – Mountain Side  
Santa Barbara CA**

**MEMBERS:**

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| <u>X</u> <b>Brian Fahnestock, Chair</b> , California<br>Community Colleges | <u>X</u> <b>Renee Bahl</b> , Santa Barbara County<br>Flood Control and Water Conservation<br>District |
| <u>X</u> <b>Carolle Van Sande, Vice Chair</b> ,<br>Member of Public        | <u>X</u> <b>Meg Jetté</b> , Santa Barbara County<br>Education Office                                  |
| <u>A</u> <b>Chandra Wallar</b> , County of Santa<br>Barbara                | <u>X</u> <b>Liz Limón</b> , Former Agency Employee<br>Representative, City of Santa Barbara           |
| <u>X</u> <b>Jim Armstrong</b> , City of Santa Barbara                      |   |
| <u>X</u> <b>Mark Manion</b> , Oversight Board<br>Counsel                   |   |

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**STAFF:**

- X **Sarah Knecht**, City Attorney, City of Santa Barbara
- A **Bob Samario**, Finance Director, City of Santa Barbara
- X **Brian J. Bosse**, Waterfront Business Manager, City of Santa Barbara
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**ORDER OF BUSINESS**

- I. **CALL TO ORDER** 3:05 p.m.
- II. **CHANGES TO THE AGENDA:** None
- III. **PUBLIC COMMENT** None
- IV. **APPROVAL OF MINUTES** – No Items
- V. **CONSENT CALENDAR** – No Items
- VI. **ITEMS SCHEDULED FOR ACTION/DISCUSSION**
  - A. Swearing-In of Elizabeth Limon as new Former RDA Employee Representative;  
Jim Armstrong swore in Liz Limon as new member replacing Paul Casey.
  - B. Proposed Guidelines for Approval of Estimated vs. Actual ROPS Payments:

Bosse explained that State Department of Finance released a new format just a week before ROPS were due. Now we are reconciling obligations with actual payments. It was noted that some payments were more than approved. There were some contracts and staff charges that were not approved by the Oversight Board so those were taken out. Now there's about \$300,000+ that was over and now will come back to taxing agencies. The Department of Finance would have caught those overages. But they were caught and there will be no more overages.

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VanSande: Looking at last ROPS #3 re: Fire Admin. Bosse that there were some really old obligations. Fahnestock suggested that Bosse could come back with the answer. Have not heard back from Department of Finance on this ROPS. Will not pay out any more than previously approved.

- C. Adopt A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Santa Barbara Directing The Successor Agency To Transfer Ownership Of Governmental Purpose Properties Formerly Owned By The Redevelopment Agency Of The City Of Santa Barbara To The City Of Santa Barbara.

Brian Bosse presented and enumerated the properties. Two remainder properties to

Public Comment:

Bill Collyer, Downtown Organization Executive Director, spoke about downtown parking as a necessity for downtown vitality.

Matt LeBrea, Downtown Parking Committee, spoke regarding parking as a governmental purpose.

Tre Lindle, General Manager Paseo Nuevo, supports transfer of parking structures to City. Essential to Paseo Nuevo. Quoted sections out of covenant Fills parking requirements of the shopping center.

Leslie Risdom, Chair of Parks and Recreation commission, supports transfer of 633 and 635 Bath Street property and Chase Palm Park Expansion to City as successor agency to the Redevelopment Agency. Lower Westside area is underserved by Parks and the Bath Street parcels adds an open space. It is an identified need in the City's General Plan.

Rebecca Bjork, Water Resources Manager, spoke in favor of the new water treatment plant at Ortega to City. \$6 million facility and vital to City. Jim Smith, Chair of Water Resources Committee, also spoke

Beth Collins-Burgard, Children's Museum, spoke in favor of transferring railroad at 125 State Street parcel to City.

Boardmembers:

VanSande:

Is there funding set aside for the Bath Street park development? Bosse said at least \$770,000 for a pocket park.

A question about parking at Paseo Nuevo. Will deal with it later.

The first property transmittal to Department of Finance. Won't this meeting be dealing with something we already did? Knecht state that this list was not formally approved by DOF. Informational item.

Fahnestock said every transfer will be approved by Oversight Board. Department of Finance will have 60 days to review today's action. Knecht stated that grant deeds will be corrected by today's action.

Question about deed restrictions on transferred property. Under City ownership uses could be changed.

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Mark Manion. Oversight Board is a creature of statute. Oversight Board doesn't have the power.

Bahl:

Is Helena Street developed as a parking lot? Bosse responded that it is developed into a public parking lot.

Motion. Armstrong; Limón. Unanimous approval.

- D. Consider Request from Ensemble Theatre Company: Grant Terms and Reduction in Grant Amount.

Brian Bosse presented background. Grant negotiations over a period of 5 years. Grant for lighting equipment to be funded at the end of the construction. Grant included performance covenants. Grant as approved by Oversight Board on first ROPS. Ensemble Theatre now owns the Victoria Theater so changes are needed in the agreement. Oversight Board is authorized to renegotiate for a new agreement for a reduced amount of \$950,000.

Armstrong wanted to know process of payment. New agreement would be one payment only

Derek Weston, Chair of the Board Ensemble, excited about Ensemble's new ownership. It would simplify the grant agreement. Urged disbursement as soon as possible as escrow will close as soon as three weeks.

Bahl:

Asked how money spent on an acquisition is better than spent on the restoration process? Bosse stated the grant will have requirements like Granada Theatre grant, emphasizing giving low income people access to cultural events. Knecht will have covenants for performance. Tax increment funds better used for acquisition. Avoids prevailing wage issues (would have added 25% to construction). Tax increment funds can't go towards operations, capital costs are permitted. Paul Casey said Ensemble Theatre has their design approved and building permit is about to be issued. Derek Weston stated that Ensemble Theatre had always expected covenants. \$8.8 million has been raised to date. Some demolition has been started.

Bahl:

Wants to know that Ensemble Theatre will actually open for operations. Derek Weston stated that Ensemble Theatre is obligated to finish construction. Knecht added that a new grant could require there would be an operating theater. Derek Weston said that the deed of trust is in place to secure funds. Manion state that If there is a default, funds would come back to bond proceeds and would lessen the debt service on bond.

Wants this written opening date timeline in the grant. Armstrong: existing controls are in place. Stated that a first Trust Deed is the best control.

Derek Weston stated that construction would be complete by Fall 2013.

Motion: Armstrong, Jetté. Unanimous approval.

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VanSande wants a refresher on Department of Finance's changes to law that affects affordable housing.

Fahnestock wants Auditor's engagement letter made public so it shows the Department of Finance prepared guidelines for Auditor.

**VII. ADJOURNMENT**

Adjourned at 4 pm.

Future Meetings:

- **October 4, 2012:** Review of Audit for Low Moderate Income Housing Fund (LMIHF).  
Time Available: 3-5:30.  
Location: Marine Center Building - Waterfront Classroom, 125 Harbor Way, Santa Barbara.
  
- **October 11, 2012:** Approval of Audit for LMIHF (Due to State by October 15, 2012).  
Time Available: 3-5:30.  
Location: David Gebhard Public Meeting Room, 630 Garden Street.