

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SANTA BARBARA
OVERSIGHT BOARD MINUTES
Wednesday, May 30, 2012 – 8:30 A.M. to Noon
Casa Las Palmas
323 East Cabrillo Boulevard, Santa Barbara CA 93101**

MEMBERS:

 X **Brian Fahnestock, Chair**, California
Community Colleges

 X **Carolle Van Sande, Vice Chair**,
Member of Public

 X **Chandra Wallar**, County of Santa
Barbara

 X **Jim Armstrong**, City of Santa
Barbara

 X **Mark Manion**, Oversight Board
Counsel

 X **Renee Bahl**, Santa Barbara County
Flood Control and Water Conservation
District

 X **Meg Jetté**, Santa Barbara County
Education Office

 X **Paul Casey**, Former Agency
Employee Representative, City of Santa
Barbara

STAFF:

 X **Stephen Wiley**, City Attorney, City of Santa Barbara

 X **Sarah Knecht**, Assistant City Attorney, City of Santa Barbara

 X **Brian J. Bosse**, Waterfront Business Manager, City of Santa Barbara

 X **Marck Aguilar**, Former Redevelopment Supervisor, City of Santa Barbara

ORDER OF BUSINESS

I. CALL TO ORDER:

Meeting was called to order at 8:30 a.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. Review, Discussion, and Approval of Second ROPS for the period of July 1, 2012 – December 31, 2012. Voting to *include* Projects on the ROPS noted.**

Schedule A

#1 - Bond 2001A payment.

Vote: 7-0

#2 - 2003A Bond payment.

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Vote: 7-0

#3 – 2004 Bond payment.

Vote: 7-0

#4 – Fiscal Agent Charges. Discussion. No payments on second ROPS.

Vote: 7-0

#7-Transportation Mitigation. Discussion. Brian Fahnestock concerned that there is not an agreement. Paul Casey noted that it is a state mandated payment. Mark Manion said there is little doubt that there is an agreement. Enforceable obligation based on law. Paul Casey asked who is going to be obligated to pay in the future. Mark Manion will have to look at environmental document. Brian Fahnestock argued that the CEQA requirement was only for RDA. Stephen Wiley responded that the payment is not connected with the “Agency” but rather, is connected with Central City Redevelopment Project Area (CCRP) formed 1977 and for life of project area and it would have gone away at the end of the project area or in 2015. Stephen Wiley said that ABx1 26 did not shut down the project area. Sarah Knecht agreed that ABx1 26 did not dissolve the project area. Chandra Wallar stated that other agencies did not have similar payments and made a motion to not include as there is no third party agreement. Mark Manion said EIR doesn’t specify amount. Renee Bahl seconded. Paul Casey acknowledged that the agreement is with the Agency. Brian Fahnestock said that the State Department of Finance has dismissed all others.

Motion: Bahl, Casey.

Vote to exclude from the ROPS: Passes 4-3 (Casey, Armstrong, Van Sande)

#9 – Paseo Nuevo Property Management. Discussion. Brian Bosse explained that staff has not found any original documentation. Stephen Wiley stated that there were two buildings which lost portions of the back of their building to the mall. The Agency agreed to pay for the easements necessary for their trash storage area. Jim Armstrong wanted verification from the original documentation

Motion: Van Sande, Armstrong.

Vote: 7-0

#17- Fire Station Lease agreement.

Motion: Casey/Armstrong.

Vote: 7-0

#20 – Lower West Downtown Street Lights.

Motion: Casey, Jetté.

Vote: 7-0.

#28 – Chase Palm Park Wisteria Arbor. Discussion from previous meeting was noted. Jim Armstrong requested that the date of the development agreement be placed on schedule. Carolle Van Sande stated that the amount is not up-to-date.

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Paul Casey stated that staff will get in a new cost estimate. Chandra Wallar also wants to see current estimate.

Motion: Casey, Armstrong.

Vote: 7-0. CW wants last meeting's conversation inserted here.

#29 – Lower State Street Sidewalks. Jim Armstrong wants the date of development agreement included on schedule.

Motion: Casey, Armstrong.

Vote 7-0

#30 – Fire Department Administration Annex. Brian Bosse stated that the \$8,738 amount is the difference between first ROPS and the second ROPS.

Motion: Casey, Armstrong.

Vote: 6-1. (Wallar)

#33 – West Beach Pedestrian Improvement Project.

Motion: Armstrong, Casey to include on Schedule A.

Vote: 7-0

Schedule B

#4 – Fiscal Agent Charges. No payments this period.

Vote: 7-0

#32 – Mission Creek Flood Control Park Development. Discussion. Paul Casey said that this project is referenced in Bond Statement and wants it on ROPS. Chandra Wallar asked if it should be on Schedule A.

Motion: Armstrong, Casey.

Vote: 7-0

#41- Ensemble Theatre. Restate that this was called out on the Bond Statement. Carolle Van Sande stated that funds would be needed later, likely June 2013.

Motion: Casey, Armstrong.

Vote: 7-0

Resolution 003 to approve Second ROPS for July through December 2012.

Motion: Armstrong, Van Sande.

Roll Call Vote: Ayes: Paul Casey, Jim Armstrong, Vice Chair Carolle Van Sande, Meg Jetté, Renee Bahl, Chandra Wallar, Chair Brian Fahnestock.

Review, Discussion, and Approval of the Administrative Budget for the period of July 1, 2012 – December 31, 2012

Schedule C

#10 – Successor Agency Administration Budget.

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Motion: Wallar, Armstrong.

Vote: 7-0

B. Discussion Regarding Real Property-

Sarah Knecht referenced packet of information from May 17 meeting. Agency Resolution 1026 has a formal listing of property. Also there was an Asset Transfer Form submitted to the State. Chandra Wallar stated that staff should get appraisals on all property that are not specifically “governmental use”.

Cacique/Waterfront Property. Discussion. Paul Casey stated that it this property is appropriate for an appraisal. Sarah Knecht referenced the Agency Resolution 1026 which has discussion of each property. Brian Bosse responded that appraisals should be done on properties not under governmental use. Renee Bahl stated that property clearly is not. Brian Bosse said that the Cacique property is approximately 2.4 acres and behind the Double Tree hotel and across the railroad tracks. An empty lot used for construction storage. Meg Jetté stated that the Santa Barbara United School Board wants this property. A discussion ensued about how property disposed of. Mark Manion advised not to make any final decisions. Brain Fahnstock asked about the process for disposing of surplus property (on next agenda). Chandra Wallar wanted to know if ABx1 26 trumps the typical disposal process of surplus property. Jim Armstrong also said that the City has no dispute with this sale of this property.

Helena Parking Lot. Brian Bosse stated that it is a City parking lot. Chandra Wallar wanted to know what the intended use for the property when it was purchased. Brian Bosse stated that it was part of the Parker Family Youth Hostel agreement and that it was to be a public parking lot functioning in coordination with the youth hostel operation. Jim Armstrong stated that is was a requirement of of the Disposition and Development Agreement (DDA) and asked if sold off, and could it be developed into something else? Sarah Knecht said that staff would need to research the DDA. Jim Armstrong state that parking lots are for government purposes.

Chase Palm Park Expansion. All the parcels are parklands. No discussion.

Ortega Groundwater Treatment Facility. The land has been owned by City since early 1900's. Sarah Knecht explained that in order for Mental Health to develop their property ownership passed to the Agency. Once completed, the property was transferred back to City. Jim Armstrong stated that there is an easement along an alley for access to the treatment facility. Sarah Knecht stated that no tax increment funds were used on this parcel. Sarah Knecht also stated the Summer Solstice organization used it on short term basis. Currently, the water treatment facility is undergoing a renovation and the costs are all out of the water fund. Chandra Wallar wondered if any part of it could be severed off and sold. Brian Bosse stated that the Water department may not use the whole parcel. There are known hazardous materials in the soil. Chandra Wallar requested to continue to discuss this property at the next meeting.

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Railroad Depot property. Discussion. 5.39 acres. CalTrans provided \$5.5 million for the purchase and the Agency spent around \$3.2 million in the restoration. There is an MOU with the Children's Museum on the parcels below the tracks has an MOU with Children's Museum covering their entitlement process. The Museum was intending to lease the property. No tax increment funding is being used. The only tax increment funds used at the depot was for the purchase of a couple of easements. Brian Fahnestock asked Mark Manion if it matters what funds were used to purchase properties. Paul Casey cited Section 34181 of the State Health and Safety Code that calls out that only properties funded with tax increment are to be disposed of. Brian Fahnestock stated that the board needs to know the source of funds used for the purchase of each property. Brian Bosse stated there is clean up legislation for AB 26 being discussed in Sacramento right now but the board should only consider how ABx1 26 currently addresses property. Brian Fahnestock wanted a list of properties identifying funding source, whether it is tax increment, grants, or transferred from City. Sarah Knecht stated that much of that information is in the relevant resolutions. Chandra Wallar wanted to know what are the consequences of either terminating a City or an agency agreement, particularly the Children's Museum's MOU and lease, and what would be the consequences of violating the terms of the CalTrans TEA grant that require funds to be used only for transportation projects, the Railroad Depot project.

Parking Lots and Structures. Discussion. 2.3 acres of parking lots downtown. Chandra Wallar wanted to know if all parcels were purchased for development of parking lots. Paul Casey stated that not all were purchased, some were already City property. Sarah Knecht explained that some were purchased with Parking Assessment District funds.

Paseo Nuevo. Groundlease expires 2068. All parcels comprising the Paseo Nuevo are considered the same, even the parking. There was a City parking lot (Parking Lot 1) that was incorporated into the development. Brian Fahnestock wanted Agency Resolution 1026 email out again.

Bath Street Property. Discussion. Currently a small park. Purchased with Agency funds. Paul Casey stated that the property was intended to be a neighborhood pocket park. Only 2,600 square feet and has creek setbacks that prohibit much development. Chandra Wallace said that this parcel should be appraised. Jim Armstrong asked Mark Manion if this property is considered "government purposes." Paul Casey stated that this property was identified as a park in the bond issue. Chandra Wallar state that she thinks this a grey area. No further discussion.

Brian Bosse stated that it would not be possible to assemble all of the requested information by the next meeting. Meg Jetté wanted to know what would happen if a property is not sold, what would happen to the property. Sarah Knecht explained that it is not sold, it would be retained by City and the City could

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continue with development plans. Meg Jetté stated the property will be held by the Successor Agency. Chandra Wallar agreed. Brian Bosse stated that the Cacique property is highly desirable. Stephen Wiley said the State would become involved if the parcels that are currently set aside for the Children's Museum are sold since a State transportation grant was used to purchase the depot property in 1995. The Agency was charged with implementing the State transportation goals. State had issued a huge railway bond. Chandra Wallar asked if that agreement could be broken and the funds repaid. Jim Armstrong again stated that the property was not purchased with tax increment so the property should not be in consideration. Mark Manion stated that the law stated "funded" and wondered if that only means purchased or includes developed.

Discussion about setting the time for the next meeting. Mark Manion stated that the State Department of Finance might have made decisions on the two ROPS and the board would need to be ready to respond. Chandra Wallar agreed.

VII. ADJOURNMENT:

Adjourned: 9:43.

Won't meet on June 7 if the State has not responded. Carolle Van Sande asked about first ROPS. Wanted to settle the issue about showing the full obligation on each schedule. Brian Bosse will send a cover letter with the two ROPS.

Next Meeting: Thursday June 7, 2012 from 2 P.M. to 4 P.M. at the David Gebhard Public Meeting Room located at 630 Garden Street.