

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SANTA BARBARA**

**OVERSIGHT BOARD MINUTES
Monday, August 20, 2012 – 10:30 a.m. to Noon
Marine Center Building, Waterfront Classroom
125 Harbor Way, Santa Barbara CA 93109**

MEMBERS:

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

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

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

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

 X **Mark Manion**, Oversight Board
Counsel

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

 X **Bob Samario**, Finance Director, City of Santa Barbara

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

ORDER OF BUSINESS

I. CALL TO ORDER: 10:30 AM.

II. CHANGES TO THE AGENDA: Took Section VI.D.(Railroad Depot Campus) first.

III. PUBLIC COMMENT: None

IV. APPROVAL OF MINUTES:

Minutes of June 27, 2012

Motion: Jetté, Casey. Unanimous

V. CONSENT CALENDAR – No Items

VI. ITEMS SCHEDULED FOR ACTION/DISCUSSION

A. Review and Approval of ROPS for the period of January 1, 2013 through
June 30, 2013

Bosse: New format from State. Fire Station, Lower West Downtown Lighting and Fire
Department Administration Annex have been completed and are no longer on
ROPS. New: Mom's loan (Number 2), missed on second ROPS.

Fahnestock: Take each line individually.

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#1: Tax Allocation Bond Series 2001A

Motion: Wallar and Van Sande. Unanimous approval.

#2: Tax Allocation Bond Series 2003A

Motion: Van Sande and Wallar. Unanimous approval.

#3: Tax Allocation Bond Series 2004

Unanimous approval.

#4: Fiscal Agent Charges

Van Sande questioned whether this item should be included in Administrative Budget. It was explained that this is only for the bonds.

Motion: Jetté, Casey. Unanimous approval.

#9: Paseo Nuevo Property Management Obligations

Wallar: If transferred to City, will the payment no longer be on ROPS? Payment is limited to what's on original ROPS. It will be the City's obligation.

Motion: Jetté, Casey. Approved 4 to 1 with Van Sande dissenting.

#28: Chase Palm Park Wisteria Arbor

Fahnestock: Noted that other RDAs had projects that projects rejected by the Department of Finance because there were no construction contracts. Not costing anything now.

Casey: Long standing development agreement commitment.

Motion: Casey, Jetté. Unanimous approval.

#29: Lower State Street Sidewalk Renovation

Casey: La Entrada has to get project going this fall. Will know soon what costs are.

Motion: Wallar, Van Sande. Unanimous approval.

#33: West Beach Pedestrian Improvements

Unanimous approval.

Oversight Board Legal Counsel (new)

Knecht: New enforceable obligations for winding down. Not an administrative expense. Section 34177.3(b) Successor agency may make new enforceable obligations.

Manion: AB 1484 allows new obligations for winding down.

Motion: Casey and Wallar. Unanimous approval.

Van Sande: Should have a number for fiscal year ie \$50,000.

Independent Auditor (new)

AB 1484 allows. Two due diligence reviews. Includes Low-Mod Housing.
Unanimous approval.

#4: Fiscal Agent for Housing Bond

Motion: Casey, Van Sande. Unanimous approval.

#32: Mission Creek Park

Casey: Costs for a play structure will show up next ROPS.

Motion: Wallar, Casey. Unanimous approval.

#41: Victoria Theatre Rehab Grant

Motion: Unanimous approval.

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Mom's LLP Loan (new)
Should have been on last ROPS.
Wallar: Should be on Low Mod Housing page.
Unanimous approval.

Successor Agency Administrative Budget
Van Sande: What is the difference? It was explained that one figure is for the year, other is for 6 months.
Unanimous approval.

Estimated Obligations vs. Actual Payments
Fahnestock: Amounts keep changing even though amounts were ratified by the Board.
Knecht: Estimated vs. actual.
Fahnestock: Significant changes need documentation by staff.
Wallar: Oversight Board should have approval of change orders.
Van Sande: Oversight Board should have approval of increases. Discouraged about changes.
Bosse: Original costs were estimates. There will be discrepancies because these are construction projects.
Jetté: Establish a materiality - set a limit.
Wallar: 15% or \$50,000.
Jetté: 10% in schools.
Wallar: Wants staff to come back with proposal for amount that Oversight Board would need to approve.
Motion: Wallar, Casey to approve as amended.
Van Sande: Asked about admin budget on summary page. Have over spent.
Resolution to approve ROPS. Unanimous approval.

B. AB 1484 Question and Answer

Fahnestock: Would like to be sure that the Oversight Board's membership is in compliance with AB 1484.

C. Brief Overview of Cash Assets – Ruby Carrillo, Finance Manager

Samario: Passed out information. No discussion.

The next item was tabled to the next meeting.

D. Direct Staff to Prepare 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 The Certain Real Property Listed Below That Has Been Constructed And Used For A Governmental Purpose To The City Of Santa Barbara:

i. Bath Street Properties encompassing .06 of one acre and including:

635 Bath Street located southwesterly of Bath Street and southeasterly of Ortega Street (APN 037-113-009); and

633 Bath Street located southwesterly of Bath Street and southeasterly of Ortega Street (APN 037-113-010).

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- ii. Chase Palm Park Expansion encompassing 8.21 acres and including:
 - Chase Palm Park Access Easement located generally northerly of Cabrillo Boulevard, easterly of Garden Street, and southeasterly of the operating right of way owned by the Union Pacific Railroad Company, (APN 017-680-004); and
 - Chase Palm Park, Portions North of Cabrillo Boulevard, located northerly of Cabrillo Boulevard, easterly of Garden Street, and southeasterly of the operating right of way owned by the Union Pacific Railroad Company, (APNs 017-680-011 and -012).
- iii. Ortega Water Treatment Facility encompassing 1 acre located southeasterly of Ortega Street and southwesterly of Garden Street (APN 031-152-033).
- iv. Parking Lots encompassing approximately 12.23 acres and including:
 - Cota Street Commuter Parking Lot (APN 031-151-018) located northwesterly of Cota Street and southwesterly of Santa Barbara Street;
 - 217 Helena Street Parking Lot (APN 033-051-020);
 - Mason Street Public Parking Lot located southeasterly of Mason Street and northerly of the operating right of way owned by the Union Pacific Railroad Company, (APN 033-113-014 and sometimes APN 033-113-022);
 - Garden Street Public Parking Lot located westerly of Garden Street, northwesterly of Cabrillo Boulevard and southerly of the operating right of way owned by the Union Pacific Railroad Company, (APN 033-113-016, -017 and -018, and sometimes APN 033-113-023);
 - Parking Structure No. 10 located southwesterly of Anacapa Street and southeasterly of Ortega Street (APN 037-132-035, -036 and -038);
 - Parking Lot No. 11 located northeasterly of State Street (APN 037-173-047);
 - Parking Lot No. 11 located southeasterly of Cota Street (APN 037-173-049);
 - Parking Lot No. 11 located southwesterly of Anacapa Street and northwesterly of Haley Street (APN 037-173-050);
 - Parking Lot No. 12 located southwesterly of State Street, northwesterly of U.S. Highway 101, northeasterly of Motor Way, and southeasterly of Gutierrez Street (APN 037-252-011);
 - Granada Garage (Parking Lot No. 6) located southwesterly of Anacapa Street and northwesterly of Anapamu Street (APNs 039-183-046, -053 and -054);
 - Carrillo Street Commuter Parking Lot located northwesterly of Carrillo Street and southwesterly of Castillo Street (APN 039-261-009); and
 - Parking Lot No. 2 located northeasterly of Chapala Street and northwesterly of Canon Perdido Street (APNs 039-321-045, -047, -048, -051, -054, -055 and -056).

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E. Oversight Board Direction to Successor Agency Regarding Disposition of Former Redevelopment Agency Property, including:

1. Railroad Depot Campus (including proposed Children's Museum site),

Speakers:

Beth Collins-Burgard, attorney for Children's Museum. Has submitted two letters. Issues: 1. What latitude does the Board have to act? 2. How does Board's fiduciary duties effect this? Education is governmental purpose. Sazely of the State Department of Finance was quoted as saying that the Children's Museum qualifies for exception and can be transferred. If property is sold, money will go back to State.

Jill Levinson, President of the Board. Working hard raising funds. Building and exhibits are designed.

Morrie Jurkowitz said that 98% of funds being raised are private. It's a wonderful early learning resource.

Sergio Villa, Secretary of the Children's Museum Board. It's difficult for young families because of the high expense of living in Santa Barbara. Community has great resources and partners with families.

Barry Berkus, local philanthropist, has worked for many community projects and is really impressed with the Children's Museum.

Steve Cushman, former director of the Chamber of Commerce. Has done a lot for downtown. Children's Museum will be a benefit for locals.

Wallar: Staff report? Future use, value. Need to assure that we are in compliance with the Department of Finance.

Manion: AB 1484 a section suggests suspending property disposition until long – range property management plan. Exception is governmental purpose. There is ambiguity. No cases have come up to use as an example.

Wallar: Legislation gave examples. Is education an example?

Manion: Long-range development plan explanation.

Casey: Property management plan will come after Notice of Completion. If governmental purpose, transfers immediately?

Manion: There are inconsistency's and will need to be harmonized. Will have to be included on long-range management plan even though governmental purpose. Use your own common sense.

Van Sande: If a governmental purpose, does that allow successor agency to enter into future agreements?

Manion: Successor agency can do what it wants.

Wallar: Big fiscal impact.

Fahnestock: Ties the hands for future use.

Wallar: Has staff checked that if sold, funds have to go back to State Department of Transportation?

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Knecht: State resolution 62% are state funds, the remainder will go to taxing agencies.

Wallar: Has staff double-checked? Does the Children's Museum qualify, if it's not used for original intended use?

Bosse: Obligation to repay State still exists if land is sold. But the use is whatever City would like.

Wallar: Other Oversight Boards have similar situation. This Board's decision could impact other boards.

Fahnestock: Put item on long-range property management plan or give it to Successor Agency. Department of Finance has 60 days to deny.

Motion: Jetté proposes to transfer to City as Successor Agency. Casey: Seconded.

VanSande: Do we need any additional documentation so it's not a project destined for failure. Casey: We do have an MOU with Children's Museum.

Wallar: Part of reason for motion is to give Children's Museum some idea how it's project is going to proceed. She gave Goleta as an example. City bought parcel from RDA.

Jetté: Does not want to give anything back to State. Considers it a governmental purpose. Selling to City would complicate the project.

Vote: Yes: Casey, Jetté, VanSande, Fahnestock. No: Wallar.

The following items were tabled to the next meeting.

2. Paseo Nuevo Center Properties, and
3. 125 Calle Cesar Chavez.

VII. ADJOURNMENT: Casey motioned to adjourn. Meeting adjourned at 12:15 p.m.

A. Future Meetings:

- **September 20:** Review and Approval of ROPS for the period of July 1, 2013 through December 31, 2013 (Due October 1, 2012) and Property Discussion.
Time Available: 3-5:30.
Location: Marine Center Building - Waterfront Classroom, 125 Harbor Way, Santa Barbara.
- **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.

Meeting dates will be approved via email.