

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SANTA BARBARA
OVERSIGHT BOARD AGENDA
Thursday, May 9, 2013 – 9:00 a.m. to 11 a.m.
Marine Center Building, Waterfront Classroom
125 Harbor Way, Santa Barbara CA 93109**

MEMBERS:

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

- X **Mark Manion**, Oversight Board Counsel
- X **Sarah Knecht**, Assistant City Attorney, 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:** 9:00 a.m.
- II. CHANGES TO THE AGENDA:** None
- III. PUBLIC COMMENT:** None
- IV. APPROVAL OF MINUTES**
- A.** February 25, 2013 Oversight Board Meeting
Motion to Approve: Meg, Renee. Approved: 5-0, Waller absent.
- V. CONSENT AGENDA:** No Items
- VI. ITEMS SCHEDULED FOR ACTION/DISCUSSION**
- A.** Update on Legislation (Mark Manion). None.
- B.** State Department of Finance's Approval of ROPS 13-14A Submittal (See Attached Letter).
- Bosse announced the state approved the ROPS 13-14A schedule. However, two items were stated as not being enforceable items; claimed administration costs and item #12 - Mission Creek Flood Control Project. The claimed administrative costs are within the fiscal year administrative cap however the DOF encourages OB to exercise discretion for the next ROPS due October 1, 2013.

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Item #12 was approved on all ROPS and the state says the request to use Bond Funds for these obligations may be allowable once the agency receives a Finding of Completion Letter (received 4/26/13). OB will need to add item to next ROPS. Armstrong asked for clarification on agreement, if it's a contract between the City and Granite Construction and if the money has already been paid. Bosse could not find agreement but money was set aside for the planning and development of the park, it has nothing to do with Granite Construction. Armstrong asked Bosse to call the state and clarify why Granite Construction was referenced on this item.

- C.** State Department of Finance's issuance of a Notice of Completion (See Attached Letter).

Bosse stated he received the Finding of Completion letter 4/26/13. The letter says we may proceed with using remaining bond funds upon approval by OB. The Long Range Property Management Plan (LRPMP) must be submitted within six months of receiving this letter.

- D.** That the Oversight Board Approve the Amended and Restated Grant Agreement with Ensemble Theatre Company.

Derek Westen of the Ensemble Theatre Company (ETC) summarized where the ETC stands regarding the prevailing wage issue. The ETC received an initial ruling from the Department of Industrial Relations advising that prevailing wage is required. The ETC will apply for a request for reconsideration; there are 2 reasons why they believe the ruling is wrong. First, the consideration for the RDA grant is a provision of services, no obligation to provide any construction or remodeling of any kind. The second reason is ETC has a 30 year lease and is already doing construction. The use of the RDA money buys the building from year 31 to forever. Purchase of property absent of construction does not trigger prevailing wage. If ETC's request for reconsideration is denied, they will file a writ of mandate. They expect this process cannot be done this year. If the ETC must pay prevailing wage they will not accept the grant as the cost of paying prevailing wage would exceed the cost of rent.

Knecht stated the OB needed to take action on the amended grant from \$1 million to \$950,000 and the restated grant. The original grant with the RDA was to assist the theater with theater equipment. The new structure of the grant is to assist in the purchase of the theater building. One contingency is no funds will be disbursed until there is a final determination on the issue of prevailing wage.

Motion to Approve: Armstrong, Waller seconds, Passes 6-0.

- E.** That the Oversight Board Adopt A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Santa Barbara Approving the Long Range Property Management Plan for the Bath Street Properties.

Bosse summarized background information. In September 2012, the OB approved transfer of the following properties as governmental assets: parking lots, Chase Palm Park, Ortega treatment plant, Railroad Depot (including the site of the Children's museum), as well as 633/5 Bath Street. Two properties not

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submitted for OB consideration at that time were Calle Cesar Chavez, and Paseo Nuevo. DOF did not approve transfer of Railroad Depot (including site of Children's Museum), and 633/5 Bath Street as properties did not fit government purpose. Armstrong added Steve Szalay said with additional information DOF could consider properties as government purpose.

Bosse stated the Bath St properties (633/5) combined are 2,600 square feet minus 2 street front setbacks (15 feet each) and a creek setback (25 feet) which inhibit developmental nature of the property. The property is a flat parcel in a single family home residential area with a recently widened, year round creek. The LRPMP (as well as ROPS 1 and 4) propose to develop the property into a park. Knecht stated the Bath St properties were discussed in a 5 year redevelopment plan 2009-14 and it was approved on prior ROPS as an enforceable obligation. Casey added the parcel is not quite a park but was identified as an enforceable obligation in 2011 and the plan is for the property to be a park, which is a government purpose. Bahl defined government purpose as assets that were constructed and used for governmental purpose. Waller said the enforceable obligation needed to be looked at as the park is not constructed. Also, if the property were to be sold, where would the proceeds go? Knecht answered the property was paid for with bond proceeds, specifically identified in 2001 bonds. If sold, proceeds would go to pay bonds. Armstrong noted that once the setback lines are drawn on the parcel map, it is an undevelopable parcel. Fahnestock asked for a site map with the setbacks shown and a better description of the buildable portions of the lot and where the proceeds would go if the parcel were sold for the next meeting.

- F. That the Oversight Board Adopt A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Santa Barbara Approving the Long Range Property Management Plan for the Calle Cesar Chavez Property.

Bosse stated the Cesar Chavez Properties are 2.4 acres located in M-1 district with 20 encumbered parking spaces for Casa Esperanza. There is a wetland setback area that requires anywhere from 25 – 150 feet, as well as light grade hydrocarbon contamination in spot locations. Successor Agency recommends selling.

Motion to Approve: Waller, Limon seconds. Approved 6-0

- G. That the Oversight Board Adopt A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Santa Barbara Approving the Long Range Property Management Plan for the Railroad Depot Property.

Bosse stated the Railroad Depot is comprised of 15 parcels used and developed as a regional transit center and as such should be retained as government purpose property and transferred to the City of SB. Bahl asked if the Railroad Depot could be sold parcel by parcel or if the entire property had to be sold. Knecht answered it depended on what funds were used to purchase the parcel originally. All the parcels were originally purchased with rail bond and redevelopment funds except the public parking lot adjacent to Enterprise Fish

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(enterprise lot), which was purchased in 2002 with redevelopment funds. Casey added that theoretically, you could decide 3 parcels were government use, 1 is surplus and could be sold. Knecht said the restrictions on the railroad bonds are imposed by the transportation commission and the city or RDA would need to reimburse the state 62% (the states proportionate commitment) of the then present value (value when parcel was sold). Bosse stated that the enterprise lot is 90 minute free public parking managed by downtown parking program. The revenue sources that come from the lot are \$1 per year from Amtrak and Greyhound pays \$4,000 per month which does not cover the operations of site. Casey added the lot is similar to parking lots already transferred

Motion to Approve: Waller, Armstrong seconds. Approved: 6-0.

- H. That the Oversight Board Adopt A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Santa Barbara Approving the Long Range Property Management Plan for the Landlord's Reversionary Interest in the Paseo Nuevo Leasehold.

Future meeting, date TBD

- I. That the Oversight Board Adopt A Resolution Of The Oversight Board Of The Successor Agency To The Redevelopment Agency Of The City Of Santa Barbara Approving the Long Range Property Management Plan for the Santa Barbara Children's Museum property.

Bosse stated the Railroad Depot site for SB Children's Museum (SBCM) is made up of 4 parcels with an appraised value of \$2.1 million (8/31/12). The project has a great deal of community support and the Successor Agency views this project as a community education purpose benefiting the entire community. The RDA had a MOU with the CM outlining processes they needed to take to get to a point where a long term lease would be developed. Sheila Cushman, of the Santa Barbara Children's Museum (SBCM) stated the SBCM had a MOU since 2008, design approval from HLC in April 2011, unanimous approval from PC in October 2011 and 120 letters of support with zero opposition. The CM was also designated as a community priority from City Council in 2009, and they are well into their capital campaign, with a quarter of their funds already raised and they could be at 50% within a few days due to a pending donor commitment. Bosse added it was the intent of the RDA to finalize the lease had the RDA not dissolved. According to communications with John Moore, DOT, these properties could be used how the RDA saw fit. The City of SB may redevelop the unused portion of the property for the benefit of the public as it sees fit. Armstrong asked Manion to review all documents between RDA and Children's Museum (MOU, agreements) to decide if they constituted an agreement before the dissolution of RDA.

Future meeting date TBD.

VII. ADJOURNMENT 10:25 a.m.

- A. Future Meeting(s): TBD

Paseo Nuevo, Bathe Street properties and SB Children's Museum