

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

**OVERSIGHT BOARD MINUTES  
Monday, December 7, 2015 – 3:30 p.m. to 5:00 p.m.  
Marine Center Building, Waterfront Classroom  
125 Harbor Way, Santa Barbara CA 93109**

**MEMBERS:**

<u>  X  </u> <b>Joseph Sullivan</b> , California Community Colleges	<u>  X  </u> <b>Renee Bahl</b> , Santa Barbara County Flood Control and Water Conservation District
<u>  X  </u> <b>Carolle Van Sande</b> , Vice Chair, Member of Public	<u>  A  </u> <b>Meg Jetté</b> , Chair, Santa Barbara County Education Office
<u>  X  </u> <b>Tom Alvarez</b> , County of Santa Barbara	<u>  X  </u> <b>Liz Limón</b> , Former Agency Employee Representative, City of Santa Barbara
<u>  X  </u> <b>Paul Casey</b> , City of Santa Barbara	
<u>  X  </u> <b>Mark Manion</b> , Oversight Board Counsel	

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**STAFF:**

**Ariel Calonne**, City Attorney, City of Santa Barbara  
**Bob Samario**, Finance Director, City of Santa Barbara  
**Sarah Knecht**, Assistant City Attorney, City of Santa Barbara  
**Brian J. Bosse**, Waterfront Business Manager, City of Santa Barbara

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**ORDER OF BUSINESS**

- I. CALL TO ORDER 3:32 pm**
- II. CHANGES TO THE AGENDA – No changes**
- III. PUBLIC COMMENT - None**
- IV. APPROVAL OF MINUTES**
  - A. September 18, 2015 Oversight Board Meeting
  - Motion to approve: Alvarez, Bahl abstained. Approved 5-0.
- V. CONSENT AGENDA**
- VI. ITEMS SCHEDULED FOR ACTION/DISCUSSION**
  - A. Update on Legislation;  
Knecht stated that Senate Bill, SB107, which was enacted as part of the budget and took effect immediately, had a few changes concerning this OB. The first is that the SB County OBs will not consolidate until 2018. The other change is there will be annual ROPS instead of biannual ROPS. Once

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the OB is finished with property distribution, the only OB meetings will be for approval of the ROPS. There are procedures set forth in the Bill for a last and final ROPS, which occurs when the only obligations left have regular payment schedules, such as bonds. Once that occurs, the DOF will review/approve the last and final ROPS. This will set the amount that the OB will receive until those obligations are complete and paid off.

- B. Approve the selection of Radius Group, to provide Real Estate Consultant services for the Marketing and Auction Services of 125 Calle Cesar Chavez properties and Recommend that the Successor Agency to the Redevelopment Agency of the City of Santa Barbara Execute a Professional Services Agreement with Radius Group, for Real Estate Services regarding 125 Calle Cesar Chavez;

Bosse stated that in September 2015, a Request for Proposals (RFP) was approved by the OB. Staff received 3 proposals, which were reviewed on a number of criteria. One of these was the broker commission, as that will be taken out of the sale price. After a good deal of discussion and review, staff recommended Radius Group as the real estate consultant to work with the SA. The Radius Group broker fees were 5% split evenly. They also created a summation of land use issues in their proposal which will be included with their marketing of the property. The proposal specified that Bob Tuler, Arick Fuller, and Gene Deering would be the team working on the project.

The two other proposal fees were 6% split evenly; and 4.5% if they represented the seller or 3.5% if they represented the buyer and seller.

An appraisal is ongoing and will be complete in the next few weeks. Radius Group will work with staff to develop a minimum reserve sale price using the appraisal and their understanding of the property. There is no standard practice for setting a minimum reserve price and it is oftentimes below the appraisal.

The timeline for the sale of the property is between three and six months. Once the OB approves the minimum reserve sale price at the next meeting, the property should go up for sale. This is M1 property on the waterfront which is scarce and highly desirable.

Van Sande asked if Radius Group offered a discount if they represent both the buyer and seller.

Bosse replied that it was not in their proposal and in this case, where they are trying to maximize the sale, they do not think it will be a problem but staff can discuss it in negotiations.

Knecht added that one of the other proposals specifically suggested a discount if they represented both buyer and seller. Staff was uncomfortable

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with that proposal as it may create an awkward situation in terms of the transparency of the transaction.

Van Sande asked if approval from the DOF is required in the auction process.

Bosse replied that the DOF may want approval on the minimum reserve sale price but after that they may only need to be notified when the property is sold as the disbursement of money occurs at the county level. Staff will get clarification on the process for the next meeting.

Motion to Approve: Bahl, Alvarez seconded.

Approved 6-0.

- C. Adopt a resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Santa Barbara approving the Amendment to the Owner Participation Agreement dated as of April 13, 2004 by and between the City of Santa Barbara and 35 State Street Hotel LLC, as successor in interest to S.B. Beach Properties, LP.

Bosse explained that the original Owner Participation Agreement (OPA) was entered into between the RDA and the original owner of the La Entrada project. The agreement identified improvements and responsibilities for each party. One of those was that the RDA would pay for sidewalk improvements on lower State Street. The developer would conduct the work and the RDA would reimburse them. There was no dollar amount attached to this agreement, however, the DOF did recognize it as an enforceable obligation and it has been on every ROPS. This past ROPS, the La Entrada Sidewalks were ready to be paid. The State did not approve the payment as the OB did not approve the Amendment to the OPA which specified the dollar amount of \$335,000. This dollar amount was based on PW Engineering Dept.'s estimate. If the OB approved this amendment, the payment would be on the next ROPS.

The payments for the sidewalks would be based on invoices as the improvements are expected to be completed by July 2016. The maximum the La Entrada project will receive is \$335,000. If the cost exceeds \$335,000, the City of Santa Barbara will pay the difference.

Motion to Approve: Bahl, Alvarez seconded.

Approved 6-0.

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Bosse summarized that for the next meeting staff will bring forward the minimum reserve sale price for the Calle Cesar Chavez property, the ROPS, and information on the compensation agreement for the Bath Street properties.

Knecht added that the LRPMP and the DOF approved transferring the 2 Bath Street parcels from the SA to the City of Santa Barbara for park purposes. However, one of the conditions is that the City of Santa Barbara and the taxing entities enter into a compensation agreement. This must occur before the transfer of the properties. The City of Santa Barbara and the taxing entities need to agree on this agreement. As this has not been done in SB county compensation will need to be established through negotiation. If it cannot be negotiated, it is based on the fair market value on the 2011 property tax rolls as determined by an appraiser. At the next OB meeting, staff will present a proposal for a compensation agreement that each of the OB members will bring to their respective boards for either approval or negotiating authority to enter into the agreement with the City of Santa Barbara.

Bahl asked if the agreement needed to be with all the taxing entities including those not on the OB.

Knecht replied that staff will get clarification on which taxing entities the agreement needs to be with for the next meeting. The statute only says taxing entities.

**VII. ADJOURNMENT – 4:07 Approved 6-0.**

A. Future Meeting(s): January 2016