

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

**OVERSIGHT BOARD MINUTES
Wednesday, January 25, 2017 – 1:30 p.m. to 2:30 p.m.
Marine Center Building, Waterfront Classroom
125 Harbor Way, Santa Barbara CA 93109**

MEMBERS:

<u> X </u> Meg Jetté, Chair , Santa Barbara County Education Office	<u> X </u> Mark Manion , Oversight Board Counsel
<u> X </u> Carolle Van Sande, Vice Chair , Member of Public	<u> X </u> Renee Brooke , Former Agency Employee Representative, City of Santa Barbara
<u> A </u> Tom Alvarez , County of Santa Barbara	<u> X </u> Joseph Toney , Santa Barbara County Flood Control and Water Conservation District (1:37 p.m.)
<u> </u> Vacant , California Community Colleges	
<u> X </u> Paul Casey , City of Santa Barbara	

STAFF:

Sarah Knecht, Assistant City Attorney, City of Santa Barbara
Brian J. Bosse, Waterfront Business Manager, City of Santa Barbara

ORDER OF BUSINESS

- I. **CALL TO ORDER: 1:35 p.m.**
- II. **CHANGES TO THE AGENDA: None.**
- III. **PUBLIC COMMENT: None.**
- IV. **APPROVAL OF MINUTES**
 - A. January 26, 2016 Oversight Board Meeting
Motion to Approve: Van Sande, Brooke seconds. 4-0 Approved.
- V. **CONSENT AGENDA: No Items**
- VI. **ITEMS SCHEDULED FOR ACTION/DISCUSSION**
 - A. Update on Legislation (Mark Manion);
None.
 - B. Update on Proposed sale Process for Calle Cesar Chavez Properties (Mark Manion and Sarah Knecht)

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Knecht explained that there will be changes to the proposed sale process for the Calle Cesar Chavez property as the City of Santa Barbara, an agency that the OB represents, may be interested in purchasing the property. A question arose as to whether there was a conflict of interest for the Board members representing the City. It was concluded that each Board member has a fiduciary responsibility to the agency that appointed them as set out in the Statute that dissolved the RDA. There is no conflict as long as the Board members representing the interests of the City have no greater input or influence as the rest of the OB members in the decision making process. The OB will recommend which proposal to accept based on the analysis and input from Radius Group. Staff will present the OB recommendation to the SA and the SA will either accept or reject the recommendation as the owner of the property. The Statute expressly states that the DOF does not have to approve the sale of the property, it is up to the OB's discretion. Due to this new process where each OB member is considered to be representing their agencies, there will be no closed sessions.

Manion added that the new process also voids the need to set a minimum reserve price. In regards to the new process, this is the best advice from the OB and City attorneys, however it is opinion. For definitive protections, seek opinions from the FPPC.

Jetté asked if the City would have an advantage as they have two representatives on the Board.

Manion replied that the legislation requires four approval votes. The City is at no greater advantage as they cannot unilaterally make a decision, they need the assistance of at least two other Board members. This goes for the County of Santa Barbara as well.

Casey asked whether a minimum reserve price should be set and if it should be made public.

A discussion ensued regarding the pros and cons of setting a minimum reserve price and making it public. It was recommended to discuss with Radius Group.

Casey asked if the OB could reject a low bid and go out for another 90 days.

Bosse replied that Radius Group has a marketing plan and would screen potential buyers as to whether they did their homework regarding the property. The State, at some point, may also want to see the appraisal.

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Van Sande suggested that the OB use the appraisal as guidance to set a minimum.

Casey asked if the appraisal will be public information.

Manion answered that the appraisal should be public in order to have no advantage against other bidders.

Bosse added that the Calle Cesar Chavez property is a difficult property to appraise and it may be a tough property to sell due to the unique conditions. Radius Group and the appraiser discussed having two appraisals, one for a minimum appraisal for the property to be used for storage and another for construction on the site, as hazmat issues will need to be addressed.

Bosse continued that the Phase II Environmental Site Assessment (Phase II) was sent to the County and appraiser. In September 2016, the OB approved an amendment to the previous ROPS for \$50,000 that would cover the Phase II as well as any additional assessments. The State denied the expense saying that the Phase II assessment was not a requirement of sale. The previous analyst said the State would cover the Phase II as it was part of the sales process, however a different analyst said no. The City ended up paying for the Phase II. The County has been informed that the OB cannot spend more money on this property and the next property owner will need to deal with further testing, if needed.

Casey shared that the Phase II showed the classic waterfront, post 1925 earthquake dumping zone that created debris that needs to be cleaned up. There are pockets of heavy metal contamination and one spot with sealed contaminated ground water.

Bosse added that there is a seasonal drainage/wetland on the property that will require an unknown setback for any proposed development. There are also twenty parking spaces required for PATH.

Toney asked what the next steps will be in this process.

Knecht replied that the next steps will be for Radius Group to meet with the OB to discuss whether to establish a minimum reserve price and then put the property on the market.

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- C. 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 ROPS 17-18 for the period of July 1, 2017 through June 30, 2018 and approving the Successor Agency Administrative Budget for the period of July 1, 2017 through June 30, 2018.

Casey asked if the Bath Street Pocket Park property still needed to be transferred to the City as it's now been developed as the park.

Bosse replied that that property does need to be transferred and that the OB already approved it.

Bosse explained that the ROPS 17-18 encompasses July 1, 2017 through June 30, 2018. The majority of project related expenses will be spent on Cabrillo Pavilion. The Cabrillo Pavilion project plans to go out to bid in April of this year and are anticipating a 6 month bid process. They plan to start construction in early 2018 and are looking at an 18-24 month construction period. The \$250,000 on ROPS Detail 17-18A (July thru December) is for continued studies and design components. The \$3 million on ROPS Detail 17-18B (January thru June) will be for the construction contract. The \$3.25 million is only a part of the funding requested for the project, the other \$8.326 million in addition to the \$3.25 million is for the repayment of the RDA Bonds. The total for this 17-18 period is a little over \$11.6 million.

Several projects, including the West Downtown Lighting, 911 Call Center, Grant Agreement with the Victoria Theater, and the Lower State Street Sidewalks should be completed by June 30th, 2017.

Toney asked how much is typically spent on the Administrative budget.

Bosse answered that the entire budget is typically spent as there were a lot of properties to manage. The budget pays for legal counsel and administrative costs and is capped at \$125,000 per six month period. In the past, a little more than \$250,000 was spent, however, spending is anticipated to decrease as the projects are finishing up.

Motion to approve: Casey, Toney seconds. Approved 5-0.

VII. ADJOURNMENT - 2:15 p.m.

- A. Future Meeting(s): TBD