

CITY OF SAN LEANDRO
Successor Agency Oversight Board

May 10, 2012
9:00a.m.-10:00a.m.

Sister Cities Gallery
San Leandro Civic Center
835 East 14th Street

HIGHLIGHTS

Board Members: Supervisor Wilma Chan, Dr. Hal Gin, John Jermanis, Morgan Mack-Rose, Luke Sims and Mark Williams

City staff present: Assistant City Manager Marshall, Business Development Manager Battenberg, Housing & Planning Manager Liao, Business Development Analyst Kay, Assistant City Attorney Bloch, City Attorney Jayne Williams, Finance Manager Baum, Secretary Gonzalez

Public present: Jason Allen, Dan Bergen, Janet King, Anthony Varni

The meeting was called to order at 9:01a.m.

1. Call to Order/General Update

- a. Roll Call
- b. Highlights adopted by consensus with clarification to be added that “uncertified ROPS” was adopted by the Oversight Board.
- c. Review and discussion of Department of Finance (DOF) letter re: approval of ROPS items. The DOF objections invalidate specific items, not the entire ROPS. As a result of the DOF letter, the February – June 2012 ROPS scheduled General Fund payment will not be made.
- d. AB1585 is still actively being discussed at the State level which would expand the exceptions to invalidated City/RDA loans and agreements, and modify provisions relating to the transfer of housing funds.
- e. Bylaws are scheduled to be brought for discussion at the July Oversight Meeting.
- f. Meyers Nave serves as legal counsel to the City and Successor Agency. Legal counsel to the Oversight Board will be brought in as needed and this issue will be scheduled for discussion at a future meeting.

2. Authorization of Amended and Restated Promissory Note confirming funds owed to the City of San Leandro

Agreements between RDA and City entered into two years after the formation of a project area were deemed not valid by DOF; however the Successor Agency and the City may reenter into agreements. The City, serving in its capacity as Successor Agency, approved Restated Agreement for payment of a General Fund loan at its May 7, 2012 Council Meeting. The loan was for the development of the Marina Blvd. Auto Mall in the Joint Project Area. The City codified a \$4,000,000 loan (with other loans) in a 2004 Promissory note. Loan payments, including prepayments, have reduced the obligation to \$2,000,000 which is included on the ROPS. The restated agreement reduces the interest rate from 6% to 3% and the term of the loan from 20 years to five years.

Action

Authorization of Resolution Amending and Restating the Promissory Note confirming funds owed to the City of San Leandro

M/S/C Williams and Gin. Ayes 6; Noes 0

3. Authorization of Amended and Restated Cooperative Agreement for Eden Rd and Hayes St. Improvements

Staff explained that Cooperative Agreements were a technical apparatus used between the Agency and the City in order for the Agency to retain the services of the City's Engineering & Transportation Department to develop a project. The January 2011 Cooperative Agreement was for the following four projects and totaled \$8.9 m:

- a. Doolittle Drive: the second phase of street improvements
- b. MacArthur Blvd.: the second phase of streetscape improvements
- c. Construction of Eden Road
- d. Hays St. Improvements required for the Town Hall Square development.

No payments have been made nor approved for these projects to date, but there has been enough investment already made to make it an unacceptable loss if they are not finished. The Restated Cooperative Agreement allocates \$1.5m for Eden Rd and \$2m for Hays St Improvements. The City, serving in its capacity as Successor Agency, approved Restated Cooperative Agreement for Eden Rd. and Hays Street Improvements at its May 7, 2012 Council Meeting. The Board discussed adding the Doolittle Dr. and MacArthur Projects into the Resolution in order to bring the projects back as there is no legal deadline for action regarding reentering into agreements.

Action

Approval of Resolution Amending and Restating the Cooperative Agreement for Eden Rd. and Hays St., with direction to staff to bring an Amended and Restated Cooperative Agreement for Doolittle Dr. and MacArthur Blvd. back to the Oversight Board for approval.

M/S/C Jermanis and Williams Ayes 6; Noes 0

4. ROPS and Administrative Budget for July 1 through December 31, 2012

- a. Formatting changes reviewed.
- b. Notation that some items have been removed from the ROPS due to natural end of contracts, the general loan remained on ROPS and bond payments will be higher in the fall due to principal and interest payments.
- c. Administrative Allowance for July – December 2012 is \$125,000

Board Discussion included housing balances and existing bond proceeds.

Action

Approval of July 1, through December 31, 2012 ROPS and Administrative Budget.

M/S/C Jermanis and Gin. Ayes 6; Noes 0

5. Termination of Tax Rebate Obligation for 575 Marina Blvd.

Staff reviewed history of a Batarse Disposition and Development Agreement for development of 575 Marina Blvd into an auto dealership. The dealership which was completed in 2008 and termination of the DDA is recommended. This would terminate the Redevelopment Agency's right to approve the sale or lease of the site as well as end the sales tax rebate obligation which would otherwise remain until 2018.

Action

Approval of Termination of the Disposition and Development Agreement for 575 Marina Blvd.

M/S/C Gin and Sims Ayes 6; Noes 0

6. Public Comments

Anthony Varni introduced himself as the attorney for the King Family and stated he looked forward to working with the Oversight Board to resolve the current dispute.

7. Adjourn

The meeting was adjourned at 9:50a.m.