

**CITY OF SAN LEANDRO
Successor Agency Oversight Board**

February 26, 2014
9:00a.m.-10:00a.m.

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

HIGHLIGHTS

Board Members: Dr. Hal Gin, Steve Hernandez, John Jermanis, and Morgan Mack-Rose

City staff present: Finance Director Baum, Community Development Director Battenberg, Assistant City Attorney Downs, Business Development Manager Kay, Development Specialist Proffitt, Administrative Assistant Gonzalez

Public present: Paul Sawftwer

The meeting was called to order at 9:03 a.m.

1. Call to Order/Announcements

- a. Roll Call –
- b. Adoption of September 18, 2013 Oversight Board Meeting Highlights
M/S/C Jermanis/Mack-Rose; Ayes 4
- c. Announcements – None

2. Updates on:

- a. Business Development Manager Kay reviewed the history the sale of 1550 East 14th Street. Escrow closed on December 31, 2013 with the transfer of property to The Innisfree Companies. They are currently in the permitting process, with grading expected in March 2014 and the center opening before the end of the year. Kay also updated the Board on the BRIDGE Housing Development. The legal process is complete, with a settlement executed. The \$3.9 million has been received and is in an escrow account. Groundbreaking for the 200 units is scheduled for Fall 2014.
- b. Kay presented an update on the third legal action regarding the Non-Housing Due Diligence Review. This issue is the DOF's attempt to recover monies from regular debt service payments made by the Redevelopment Agency to the City for the General Fund Loan prior to the passage of the Redevelopment dissolution law (AB x1 26). Additionally, the suit challenges the DOF's refusal to acknowledge several City-Agency funding agreements as enforceable obligations in spite of the fact that they were re-authorized by the Oversight Board in 2012. Assistant City Attorney Stephanie Downs stated this is scheduled for trial in July 2014, and will probably not settle prior. Downs also stated that there have been a couple of tentative rulings in similar cases, which have been in the favor of the cities.

3. Review of Regency Centers Enhanced Security Agreement

Kay reviewed the Agreement signed in 2004, with no termination date, between the City, the Redevelopment Agency and Regency Centers. The Agreement funds enhanced security in the

Downtown through the employment of a San Leandro uniformed bike police officer (Bike Officer). In a letter dated November 1, 2013, the DOF encouraged the oversight board to review the contract and determine if it should be terminated.

The Board asked for clarification of the numbers regarding the annual cost of the contract, including the City's projected operation increases. Finance Director Baum confirmed that it was estimated at 3% annually, however staffing costs are hard to predict. Discussion included the plan for the newly formed Community Benefit District to hire "ambassadors" who will provide security and maintenance services, with clarification it is not in lieu of services already provided to the Downtown. Board questioned if the contract could be amended to allow for Regency to increase their portion of the costs, however Downs stated that it could not be amended without DOF approval. Downs also confirmed that DOF cannot unilaterally cancel the contract.

Board directed staff to begin working with Regency and the City to develop a transition plan to wrap up the contract, with the understanding that there be adequate notice to ensure that the Bike Officer be able to be maintained if at all possible, as the services provided have been of value. Board was in agreement that the obligation should remain for the next fiscal year citing the fact that the agreement leverages funds from multiple funding sources.

4. Review of Recognized Obligation Payment Schedule for Enforceable Obligation Payments and Administrative Budget for the period of July 1, 2014 through December 31, 2014

Kay presented the ROPS, noting that required form has been amended and some obligations have been retired. This total funding requested from the Redevelopment Property Tax Trust Fund (RPTTF) for this period is \$4.175 million. He highlighted the following items on the ROPS:

- 1) The Items # 2 & #5: the most significant amounts are the regular debt service for the bonds;
- 2) Item #26: The Alameda –OPLA has been paid, with the obligation at \$0.00 and will be listed as a retired obligation;
- 3) Item #39: The \$1 million obligation for the King Settlement for this period;
- 4) Item #43: the Community Benefit District will be reduced over time as the developable parcels are sold and the right-of-way parcels and parking lots are transferred to the City.

Per the Board's query, Kay confirmed that within the next year, the DOF's Finding of Completion, the Property Management plan are expected to be completed. However, the Finding of Completion will not be issued until the outstanding legal issue has been resolved. Board requested confirmation that the Security contract would not be an outstanding issue delaying the Finding of Completion.

Action

Approval of Oversight Board Resolution Approving the Recognized the Obligation Payment Schedule (ROPS) for period July1-December 31, 2014

M/S/C Gin/Hernandez; Ayes: 4

5. Board Comments – None

6. Public Comments – None

7. Adjourn – The meeting was adjourned at 9:45a.m.