

Oversight Board
(to the Successor Agency of the Pinole Redevelopment Agency)
Minutes
April 4, 2012

1. Call to Order

Board Member Murray acted as the interim presiding officer and called the meeting to order the first meeting of the Oversight Board of the Successor Agency of the Pinole Redevelopment Agency (“Oversight Board”) at 4:10 p.m. The meeting was held in the Pinole City Hall Community Room, 2131 Pear Street, Pinole CA. The Pledge of Allegiance was led by Board Member Murray.

Self introductions of the members followed:

Debbie Long, Contra Costa County
Peter Murray, Pinole
Mary Drazba, City of Pinole
Norma Martinez Rubin, Office of County Superintendent
John Marquez, Contra Costa Community College
Maureen Toms, Contra Costa County
Whitney Dotson, EBRPD

Staff present included: City Manager Belinda Espinosa, Assistant City Manager Michelle Fitzner, Assistant City Attorney Stephanie Downs, Finance Director Richard Loomis, and City Clerk Patricia Athenour

City Clerk Athenour announced that the meeting was posted on March 29, 2012 at 4 PM and all legally required notice was provided. She asked the Board whether there were any conflicts on any items on the Agenda.

Board Member Drazba announced that she was recusing from Items 34 and 35 on Item 5E due to a perceived conflict.

3. Public Comment

Mary Horton, Pinole citizen, requested that the Board hold future meetings in the Pinole Council Chamber.

4. Consent Calendar – There were no Consent Calendar items.

5. Matters for Consideration

Prior to discussion of agenda items, Board Member Drazba requested moving Item 5F prior to Item 5E; stating that depending on the outcome of the vote on the 5F, some items on the ROPS may be removed.

Staff said that would only pertain if the properties (shopping centers) closed escrow before June 30, 2012, and the \$1,000,000 payment on the ROPS should remain on the list until the sale is consummated.

Item 5A – Oversight Board Purpose and Determination of Meeting Schedule

City Manager Espinosa disseminated AB 1585 (clean up language to AB1x26) and summarized briefly the report which outlined the duties and obligations of the Board. The Oversight Board must meet at least twice per year with the primary purpose to approve the ROPS..

Finance Director Loomis recommended that the two required meetings should be in April and October. The meeting today is due to a time sensitive filing of ROPS on April 15th and will need a meeting the first week in May to adopt a budget and the ROPS for the second half of the year. Additional Board tasks would be review of all property distributions, define the enforceable payments for a full audit.

Board Member Drazba asked if the January–June 2012 ROPS were firm payments or placeholders. Loomis explained that the Board approval is required but the Pinole Redevelopment Agency Board was still in place until January 31, 2012 and the payments were paid through the Agency approval.

Jim Tillman, Pinole citizen, asked if the Board must be certified by the Secretary of State.

Assistant City Attorney Downs responded that the Oversight Board was formed statutorily by law.

The Board approved meeting the first Wednesday of the month, as needed. Board Member Toms asked if placeholder meetings in the next few months should be scheduled to address possible new business due to the formation of the Board.

Following discussion, the Board agreed to the first Wednesday of each month in April – June and October-December. If meetings are not needed, a cancellation notice would be posted. The next meeting would be May 2, 2012 at 4 PM to adopt a budget.

Item 5B & C – Appointment of Board Chair and Vice-Chair

ACTION: Motion by Board Members Toms/Drazba, the Board appointed Debbie Long as Chair. Vote: Passed 7-0.

ACTION: Motion by Martinez-Rubin/Long, the Oversight Board appointed Maureen Toms as Vice Chair. Vote: Passed 7-0.

ACTION: Motion by Murray/Marquez; the Oversight Board approved two year terms. Vote: Passed 7-0.

The officers received and executed the Oath of Office.

Item D – By Laws and Rules of Procedure

Assistant City Attorney Downs explained “point of order” and how/when it could be used in the meeting, pursuant to a request of Board Member Martinez-Rubin.

Roy Swearingen, from the audience said a point of order took precedent over all other actions and you would use it to clear up an issue when you believe something has been done or taken out of order.

Jim Tillman cautioned the Board to use the term properly.

Ms. Martinez-Rubin indicated she had spoken with City Attorney Reyes who explained that it allowed flexibility from parliamentary procedures so as it does not impede our process.

ACTION: Motion by Board Members Toms / Murray; the Oversight Board approved the By Laws and Rules of Procedures, subject to a minor correction noted on Page 3 (employees) of the By Laws and with the insertion of the Board meeting schedule. Vote: Passed: 7-0.

Item 5E – Recognized Obligation Payment Schedule - January –June 2012

Finance Director Richard Loomis presented the staff report into the record. The first audit would be completed by July 1, 2012 and this schedule would be part of that review period. Loomis addressed questions raised by Board Member Drazba and said all the enforceable obligations are substantiated by documents, which were available for review. This January-June 2012 ROPS has been previously reviewed in a public forum twice by the Pinole Redevelopment Agency; the last time on January 30, 2012.

Chair Long requested clarification why the housing was not separate from the enforceable obligations, if the housing was to continue. Ms. Downs said the Department of Finance directed to show all housing on the ROPS until clean-up language is written.

Board Member Drazba asked if the two bonds should be identified specifically as housing bonds, as well as Item 13. She said the identification was inconsistent.

Ms. Downs said to refer to the underlying documents. Mr. Loomis said additional identifiers could be added if necessary to provide additional information.

The Board concurred and directed staff to add a column for clarity.

Mr. Loomis also identified the priority line for payments in the event of a deficiency, as follows: County administrative costs, debt service, and administrative reimbursement.

Board Member Drazba raised question on enforceable obligations No. 10 (Wildan), 18 (Pacific Bell), 29 (Troughton-Cushman & Wakefield), and 33 (Meyers Nave).

Loomis explained the contract with Pacific Bell, originally drawn up between the City and PacBell, followed by the Agency taking over the downtown parking. The property was then identified in the Implementation Plan for aggregation for a future development and subsequently payment was borne by the Agency, which can be demonstrated through the Agency work plan.

She questioned the Wildan contract and noted in the CIP budget and the approval on March 8 was for \$27,806, but the ROPS listed it as \$100,000. Mr. Loomis said following a review with the City Engineer, two contracts, Wildan and Restoration Design Group were approved on March 8th and listed together on the ROPS schedule. He recommended reducing the Wildan contract and bringing the Restoration Design Group contract back at next meeting or separating the two contracts now, to add an Item 36 to the ROPS schedule today. He said the \$48,000 invoice for Restoration Design Group had not been paid yet.

Regarding Item 29 – Cushman & Wakefield, Drazba said it would be paid out of escrow and at this time the amount is not identified. Loomis said if it is covered, it would come off the ROPS.

Ms. Drazba expressed concern to allocate sufficient funds in No. 33, Meyers Nave, to cover legal services. Mr. Loomis said the amount was discussed with Ms. Downs, and it was estimated to be sufficient for handling the oversight business. Fees related to property disposition and transactions would be paid from the property disposal.

Mr. Loomis also reported that all public properties did not transfer from the Agency to the City, and would come back for review by this Board in October.

ACTION: Motion by Toms/Drazba, the Board Adopted Resolution 2012-02, approving the January – June 2012 ROPS, excluding Items 34 and 35, and with a modification to Item 10, reducing the Wildan contract to \$27,856 and adding line Item 36 for Restoration Design Group for \$48,000 for Pinole Creek Restoration Project to be paid in the April 2012 column. Vote: Passed 7-0

The record reflected Board Member Drazba departure from the meeting room.

ACTION: Motions by Board Member Toms /Martinez-Rubin approved ROPS line item 34 and 35, also included in Resolution 2012-02. Vote: Passed 6-0.

Ms. Drazba returned to the meeting,

Item 5F – Purchase and Sale Agreement

Michelle Fitzer Assistant City Manager presented the staff report, summarized the project and timeline on the subject shopping center properties, and recommended adoption of a resolution approving the sale. The sales price, \$13.1 Million and all terms were approved on December 6, 2011 and escrow was opened. On December 29, 2011, the Supreme Court ruled on the California Redevelopment lawsuit and all Redevelopment Agencies were dissolved on February 1, 2012. The purchase and sale agreement provided a close on February 22, 2012, with 60-day extension to April 22, 2012. The Successor Agency encountered a problem closing escrow due to the title company's reluctance to deliver clean title on properties previously owned by a Redevelopment Agency. She explained their concern of a "claw back." City's legal opinion that these properties are contractually obligated to a 3rd party, and are not subject to the claw back, and the importance of this sale as it is the only opportunity to sell the Pinole Vista property due to provisions of the Ground Lease with TKG. The title company is requiring a resolution from the Oversight Board approving the transfer of the property, in order to provide clear title. City approved an extension of the sales contract to COE no later than September 30, 2012. The City Council has discussed their intent to lock box the prospective proceeds and Ms. Fitzer recommended adoption of the resolution and was available for questions.

Board Member Drazba asked technically the City did not have a contract with a third party on January 1, 2011 so the worst case is the State could potentially say they disagree to the disbursement of funds. She asked if staff had any idea how long you would hold the funds. Ms. Downs said legislation gives a 2-year look back for any actions taken in terms of a dispute, but a validation action was approved so no one can state there were improper actions.

Ivette Ricco, Pinole Chamber President, asked if the State was successful, would the City have to turn the funds over, and also asked if there was an escape clause in the contract.

Ms. Downs said that TKG would keep the property and the City would get 19 percent of the proceeds.

Ms. Fitzer discussed the outcome if the sales contracts did not close; the City would be on the hook for capital calls up to \$8 Million over the next three year.

Marcia Kalapus, Pinole citizen, asked if the Pinole Valley Center ground lease contained the same provisions as Pinole Vista, precluding the opportunity to sell the property. She also asked if the situation with Pinole Vista was caused by anything the City could have done, and that the public needs to understand.

Staff explained the negotiation process in 2008 that now allowed modification of the terms of the original deal on Pinole Valley.

Jim Tillman, Pinole citizen, asked if the sale would pay the bonds, and whether the City has determined that the deal is beneficial to the public.

Chair Long responded that the bonds had been paid. She also explained that TKG manages the properties and selling is the best option for the City. She said that Mr. Tillman's questions have been discussed in other venues, and are not germane to the matter before this Board. She asked for a motion.

ACTION: Motion by Board Members Drazba /Martinez-Rubin, the Oversight Board adopted Resolution 2012-01, moving staff recommendation to approve the Purchase and Sale agreements subject to the addition of the following language in the 7th Whereas, on page 2, adding "Pinole Vista Crossings". Vote: Passed 7-0.

ADJOURNMENT

At 6:06 p.m., Chair Long adjourned the meeting to the next meeting of May 2, 2012.

Submitted by:

Patricia Athenour, MMC
Pinole City Clerk

APPROVED BY OVERSIGHT BOARD: