

**PINOLE OVERSIGHT BOARD AGENDA
SPECIAL MEETING
(OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PINOLE
REDEVELOPMENT AGENCY
OCTOBER 1, 2014
MINUTES**

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE

The Special meeting of the Oversight Board of the Successor Agency to the Pinole Redevelopment Agency ("Oversight Board") was held in the Pinole Council Chambers, 2131 Pear Street, Pinole, California. Chair Toms called the meeting to order at 4:08 PM. and led the Pledge of Allegiance.

2. ROLL CALL, CLERK'S REPORT & STATEMENT OF CONFLICT

Board Members Present:

Mary Drazba, Vice Chair
John Marquez, Board Member
Peter Murray, Board Member
Maureen Toms, Chair

Board Members Absent

Whitney Dotson, Board Member
Norma Martinez-Rubin, Board Member
Debbie Long, Board Member

The voting record reflects their absences.

Staff Members

Hector De La Rosa, Assistant Executive Director
Chris Kokotaylo, Legal Counsel
Patricia Athenour, City Clerk / Board Secretary

City Clerk reported that the agenda was posted on the City website and the official posting board on September 18, 2014 and September 25, 2014. The Board responded to City Clerk Athenour that there were no conflicts with any items on the Agenda.

3. PUBLIC COMMENT

So speakers addressed the Oversight Board.

4. CONSENT CALENDAR MATTERS

- A. Approve the Oversight Board Minutes of September 3, 2014

ACTION: Motion by Board Members Murray / Drazba, the Oversight Board Approved the Board Minutes As Submitted.

Vote: Approved. 4-0-3

Ayes: Drazba, Marquez, Murray, Toms
Noes: None
Absent: Dotson, Long, Martinez-Rubin

5. MATTERS FOR CONSIDERATION

- A. Approve The Successor Agency’s Long-Range Property Management Plan [OB Report No. 2014-04; Action: Adopt Resolution Per Staff Recommendation (De La Rosa)]

Hector De La Rosa, Assistant Executive Director presented the Long Range Property Management Plan (“LRPMP”) and reported staff was in the final stages of dissolution of the Redevelopment Agency property, chronicling the disposition of the 17 properties that the Redevelopment Agency owned. The Finding of Completion had been received and during the waiting period the LRPMP was developed and presented to the Successor Agency on September 16, 2014 and was approved as submitted. He identified the categories listed below developed by the State:

1.	Transfer to City for Governmental Use	9
2.	Property for Future Development	6
3.	Sale of Property by Successor Agency	2
4.	Use of the Property to Fulfill an Enforceable Obligation	0

De La Rosa presented the nine properties to be transferred to city for governmental use. He reported that the State had said that taking the position that the parking lot on Fernandez should be re-categorized to Property for Sale category. Six properties are currently in the category to be transferred to the City for future development. The other parcel proposed to be transferred to the City for development is 2301 San Pablo. There are two properties that are ready for immediate sale - 803-850 San Pablo Avenue (Pinole Shores Business Park) and 600 Tennent Avenue (known as Blackie’s).

In closing he stated that the State has one hundred twenty days to review the LRMP, and they have reported they would be reviewing ROPS until November 15th and then would start on the LRPMPs. A preliminary plan was sent to the State to attempt to expedite the review. The plan was forwarded to the Oversight Board for consideration; Mr. De La Rosa recommended approval and was available for questions.

Board discussion and questions followed.

- Criteria to determine categorizing properties in Category 2: Property Transferred to City for Future Development and Category 3: Sale of Property by Successor Agency

Mr. De La Rosa discussed the properties in Category 2. He explained that properties such as Gateway, where there are two parties interested in development were placed in this Category 2 to provide more leeway to the City to negotiate specific businesses/ uses on the site. The Council’s goal for 2301 San Pablo Avenue has always been for a development to occur on that site, and it is the City’s opinion that there would be a better chance that development would

occur sooner if it were transferred to the City rather than placed for an immediate sale where it could be purchased and remain vacant. The Bank of Pinole building contains criteria that a buyer must maintain the historic exterior of the building.

Category 3. There are no development plans for either of these two sites. Pinole Shores II has some access and mitigation issues and a potential purchaser could develop the site per the zoning and conditions of approval.

Vice Chair Drazba raised comments regarding 651 Pinole Shores Drive, stating the site was part of the Three Specific Corridors Plan and said information was missing from the spread sheet. It was transferred to the City for governmental use as a potential site for the City's future Corporation Yard and a temporary site for supplies and equipment for five or six years. It was presented to the public and the council that it was to be a temporary site. In 2007 and 2010, the City received unsolicited offers for that site. It was later determined that the site was not large enough to incorporate the City's Corporation Yard. Drazba said her concern was that it does not follow the criteria as it was planned for development and there had been interest in that site. She argued that development would provide jobs, and the taxing agencies, including the City would receive tax revenue.

Assistant City Manager De La Rosa responded that the value is currently zero and will retain that value if transferred for governmental use. There are individuals interested, but they are quasi-governmental (i.e. WestCat) in buying our property and exchanging with the property from Sugar City and it still would remain vacant. We do not see anything being developed based on the current proposal to the City. If transferred for governmental use, it does not preclude the City from selling it in the future. The taxing agencies would not share in the sale.

Vice-Chair Drazba said a private development had offered \$509,000 in 2011. Currently WestCat and Sugar City may be interested currently, but that is not to say that the whole corner might become prime development. Even if we hold it for sale for future development, the City Corporation yard could continue to use it for storage in the interim until such time an appropriate development could come in.

Board Member Murray said soon the City will be mobilizing for the Pinole-Hercules WPCP construction. He said while he agreed with Vice Chair Drazba's assessment of future use, he believed this was appropriate based on the need and when the project is concluded, the City could reassess it and put it on the market.

Mr. Del La Rosa said in order to transfer it from Governmental use to the City For Development, we would need to enter into a compensation agreement. He said if the Oversight Board chose to re-categorize, staff would take their direction.

Chair Toms asked what about the timing and whether the City could retain it for the temporary period during the WPCP construction and then sell it. She said the State may make the decision for the City and re-categorize it

Mr. Del La Rosa asked Development Services Director Allison to address the issue as there may be a more long term use proposed on that site for the corporation yard.

Dean Allison, Development Services Director, addressed the Board, stating it was critical to get to have a temporary yard to get through the next three years with the waste water plant upgrade. He said he had envisioned the site as the permanent corporation yard five to six years ago, and was concerned about foreclosing any opportunities for use at this time.

Vice Chair Drazba discussed her position to be fair to all the taxing entities and recommended placing it in a different category so it can be used in for the immediate need for the plant upgrade and if it were to be sold later, the City could buy it and pay the taxing entities or it could be sold to a developer.

Discussion followed. Mr. De La Rosa spoke to both scenarios. He said if the City had to buy the property, it would be paying twice. While he agrees that the taxing agencies should get something, staff was looking out for the City's interest and recommended leaving the plan as submitted.

Chair Toms asked if the City does not continue to use it for governmental use and it is was later sold for development, would that require the taxing agencies to receive their share.

Mr. De La Rosa said no; once the property becomes the City's, the City can later dispose of it and keep all proceeds. The assessed value would be shared by the taxing agencies.

Vice Chair Drazba said she had a difficult time categorizing this property for government use.

Chair Toms said she was conflicted also; she was not sure based on the parameters that the DOF would find that this is a governmental use and on the other hand, if it becomes governmental use the taxing agencies would miss out. Chair Toms said it was staff's job, if this goes forward, to convince the DOF, and if not the Oversight Board would be tasked with approving an amendment.

Board Member Murray asked which properties staff thought the State would have issues with.

Mr. De La Rosa said there seemed to be concerns that some of our parking lots would be categorized for sale; items 3 and 4 on the summary sheet (the parking lot on Fernandez and the parking lot at the entrance to the Bank of the West). He also referenced Item 7 (right of way) which some other cities have indicated they have been told should be in the Transfer for Future Development.

No speakers addressed the Oversight Board on this matter.

ACTION: Motion by Board Members Drazba / Marquez to Approve the Draft Resolution, Approving the Submission of the Long Range Property Management Plan As Amended to Re-categorize Item 9 - 651 Pinole Shores Drive to "Future Development."

Discussion followed.

Board Member Murray asked the size of the remainder of the existing corporation yard, once the waste water plant upgrade was complete, and whether there were any other sites suitable for a corporation yard.

Mr. Allison said the area would definitely be smaller, and thought that the City would have to purchase an alternative property, and there are none identified. The subject property on Pinole Shores Drive is accessible, not visible from the main corridor or other properties and meets NPDES standards.

Board Member Murray said he must consider the City's needs and stated he would not be supporting the motion.

Chair Toms posed questions to staff questions regarding entering into a Compensation Agreement with the taxing agencies.

Mr. De La Rosa said the timeframe of the Compensation Agreements are negotiated upfront. If there is agreement to a three-year term, the time is set or the City has to pay the portion. If one chooses not to agree, the City has to pay their share immediately. The risk is that one or more agency could choose not to sign the compensation agreements.

Chair Toms said that would complicate the capital project the City is trying to achieve. She thinks it is acceptable for the property to be in the Governmental Use category, but believes the taxing agencies to be compensated if the property is later sold. She did not think the argument has been demonstrated that it should be kept for permanent government use. She thinks governmental use for next five years is appropriate based on the City's needs.

Mr. De La Rosa responded that he does not think this Board can commit an action on a City property.

Chair Toms called the vote.

Vote: **Failed: Tie Vote: 2-2; 3 Absent.**
Ayes: **Marquez, Drazba**
Noes: **Toms, Murray**
Abstain: **None**
Absent: **Dotson, Long, Martinez-Rubin**

ACTION: Motion by Board Members Murray / Marquez, The Oversight Board Adopted Resolution 2014-05, Approving the Submission of the Long Range Property Management Plan As Submitted and Recommended by Staff.

Vote: **Passed: 3-1; 3 Absent.**
Ayes: **Murray, Toms, Marquez**
Noes: **Drazba**
Abstain: **None**
Absent: **Dotson, Long, Martinez-Rubin**

6. ADJOURNMENT

At 4:48 p.m., Chair Toms adjourned the Special meeting to the Regular Meeting of February 4, 2015.

Submitted by:

Patricia Athenour, MMC
Pinole City Clerk / Clerk to the Oversight
Board of the Successor Agency to the
Pinole Redevelopment Agency

APPROVED BY THE OVERSIGHT BOARD: