

# SAN GABRIEL CITY COUNCIL AND REDEVELOPMENT AGENCY

## MINUTES OF MARCH 8, 2011

The regular meetings of the San Gabriel City Council and the San Gabriel Redevelopment Agency convened on March 8, 2011 at 3:30 p.m.

### PLEDGE OF ALLEGIANCE

Pledge of Allegiance

### ATTENDANCE

Attendance

PRESENT: Mayor/Chair Gutierrez, Vice Mayor/Vice Chair Sawkins, Council/Agencymembers Costanzo, De La Torre, City Manager/Executive Director Preston, Deputy City Attorney/Deputy General Counsel Wallin, Deputy City Attorney/Deputy General Counsel Kranitz, and Acting Deputy City Clerk/Acting Agency Secretary Aguilar.

PUBLIC COMMENT: PURSUANT TO GOVERNMENT CODE SECTION 54954.3, THIS IS THE TIME PROVIDED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COUNCIL ON ITEMS OF INTEREST THAT ARE NOT ON THE AGENDA WITHIN THE SUBJECT MATTER JURISDICTION OF THE SAN GABRIEL CITY COUNCIL

Public Comment

There was no one in the audience who wished to address the Council and the Redevelopment Agency at this time.

### 5. ADOPTION OF RESOLUTIONS BY CITY AND AGENCY MAKING FINDINGS RELATING TO THE FUNDING OF PUBLIC IMPROVEMENTS AND AFFORDABLE HOUSING PROJECTS AND APPROVAL OF COOPERATION AGREEMENT FOR THE SAME

Adoption of resolutions by City and Agency making findings relating to the funding of public improvements and affordable housing projects and approval of cooperation agreement for the same.

Deputy City Attorney Kranitz presented the report.

#### Recommended Actions – City

#### A. Adopt Resolution No. 11-11 which:

Resolution No. 11-11 approved as stated in 1,2,3,4.

1. Makes findings required by law for Agency to pay for public improvement projects and affordable housing projects listed in Agreement;
2. Provides City consent to Agency paying for public improvement projects and affordable housing projects listed in Agreement;
3. Approves Agreement providing for Agency repayment for Projects and authorizes Mayor to execute the Agreement; and
4. Authorizes the City Attorney to make final changes to the Agreement.

**Councilmember Costanzo moved to adopt Resolution No. 11-11; seconded by Councilmember De La Torre. There were no objections, it was so ordered.**

#### B. Budgetary Actions

Budgetary Actions Approved as stated in 1,2,3.

1. Direct staff to incorporate the projects delineated in the Agreement in all future capital improvement programs and annual budgets.
2. Acknowledge that this Agreement has no budgetary implications for the FY 2010-11 City Budget except for the Wayfinding-RDA CIP Project No. 8-09-09.
3. Direct staff to appropriate \$200,000 of General Funds for the Wayfinding-RDA CIP Project No. 8-09-09 which will be reimbursed by current year RDA funds pursuant to this Agreement.

**Councilmember De La Torre moved to approve the recommended action; seconded by Councilmember Costanzo. There were no objections, it was so ordered.**

C. CEQA Actions

CEQA Actions approved.

1. Direct staff to file a Notice of Exemption pursuant to CEQA Guidelines section 15378 as the actions do not constitute a "project" under CEQA.

**Vice Mayor Sawkins moved to approve the recommended action; seconded by Councilmember Costanzo. There were no objections, it was so ordered.**

Recommended Actions – Agency

CRA Resolution No. 11-02 approved as stated in 1,2,3,4.

- A. Adopt Resolution No. CRA 11-02 which:
  1. Concurs in City findings required by law for Agency to pay for public improvement projects and affordable housing projects listed in Agreement;
  2. Provides Agency consent to Agency paying for public improvement projects and affordable housing projects listed in Agreement;
  3. Approves Agreement providing for Agency repayment for Projects and authorizes Executive Director to execute the Agreement; and
  4. Authorizes General Counsel to make final changes to the Agreement.

**Vice Chair Sawkins moved to adopt Resolution No. CRA 11-02; seconded by Agencymember De La Torre. There were no objections, it was so ordered.**

B. Budgetary Actions

Budgetary Actions approved as stated in 1,2,3.

1. Direct staff to incorporate the Projects delineated in the Agreement in all future capital improvement programs and annual budgets.
2. Acknowledge that this Agreement has no budgetary implications for the FY 2010-11 Agency Budget except for the Wayfinding-RDA CIP Project No. 8-09-09.
3. Direct staff to reimburse the City for costs incurred for the Wayfinding-RDA CIP Project No. 8-09-09 using current year RDA funds to satisfy the Agency's obligation.

**Agencymember Costanzo moved to approve the recommended action; seconded by Vice Chair Sawkins. There were no objections, it was so ordered.**

C. CEQA Actions

CEQA Actions approved

1. Direct staff to file a Notice of Exemption pursuant to CEQA Guidelines section 15378 as the actions do not constitute a "project" under CEQA.

**Agencymember Costanzo moved to approve the recommended action; seconded by Agencymember De La Torre. There were no objections, it was so ordered.**

6. APPROVAL OF BETTERMENT AGREEMENT AMONG CITY, AGENCY AND ACE REGARDING SAN GABRIEL BOULEVARD BRIDGE STREETScape IMPROVEMENT AND HAUL ROUTE REHABILITATION

Approval of Betterment agreement among City, Agency, and ACE regarding San Gabriel Blvd. Bridge Streetscape Improvement and Haul Route Rehabilitation

City Engineer Grilley presented the report.

Recommended Actions – City

City Actions Approved as stated in A,B,C,D,E.

- A. Direct staff to allocate \$2,241,402 in future City funds as payment to ACE for the City's share of the construction cost of the haul route rehabilitation work for streets listed in Table No. 2 in the staff report.
- B. Authorize the Finance Director, as determined by the City Manager, to secure outside financing or fund an escrow account in the amount of \$2,241,402 as delineated in the ACE Betterment Agreement.
- C. Authorize funding of the escrow account to ACE as follows: \$100,000 in calendar year 2012, \$100,000 in calendar year 2013, and the balance of \$2,041,402 by April 1, 2014.
- D. Authorize the Mayor to execute the Betterment Agreement in substantially the form presented.
- E. Authorize the bridge streetscape treatment and haul route rehabilitation work be incorporated into the bid documents for the San Gabriel Trench Project.

**Councilmember Costanzo moved to approve the recommended action; seconded by Councilmember De La Torre. There were no objections, it was so ordered.**

Recommended Actions - Agency

Agency Actions Approved as stated in A,B,C,D.

- A. Direct staff to allocate \$264,612 in future Agency funds as payment to ACE for the construction cost of the haul route rehabilitation work for that portion of Grand Avenue, Mission Road, and Angeleno Avenue that is within the RDA area.
- B. Authorize the Finance Officer, as determined by the Executive Director, to secure outside financing or fund an escrow account in the amount of \$683,855 which reflects the proposed amount of \$264,612 in Agency funds for the haul route rehabilitation in the Project Area and \$419,243 in Agency funds previously approved for the bridge streetscape treatment.
- C. Authorize the funding of the escrow account to ACE as follows: \$100,000 in calendar year 2012, \$100,000 in calendar year 2013, and the balance of \$483,855 by April 1, 2014.
- D. Authorize the Executive Director to execute the Betterment Agreement in substantially the form presented.

**Vice Chair Sawkins moved to approve the recommended action; seconded by Agencymember De La Torre. There were no objections, it was so ordered.**

7. AMENDMENT TO EXISTING STREETScape STANDARDS, APPROVAL OF SAN GABRIEL BOULEVARD STREETScape MASTER PLAN (INCLUDING THE SAN GABRIEL BRIDGE STREETScape DESIGN TREATMENT) AND APPROVAL OF KSA CONTRACT CHANGE ORDER

Staff recommends approval of the Owner Participation Agreement between the Agency and the dealership.

Community Development Director Davis presented the report.

Amendment to existing Streetscape standards, approval of San Gabriel Blvd. Streetscape Master Plan (including the San Gabriel Bridge Streetscape Design Treatment) and approval of KSA Contract change order

Recommended Actions – City

- A. Amend the Streetscape Standards for the Redevelopment Project Area to include proposed new and enhanced elements described in Exhibit B; and
- B. Approve the San Gabriel Boulevard Streetscape Master Plan (Exhibit C), including the San Gabriel Boulevard Bridge streetscape treatment (Exhibit D), as proposed by KSA.
- C. Authorize the City Manager or designee to approve Change Order No. 4 to the KSA Agreement in the amount of \$176,475.00 for KSA for additional tasks outlined in Exhibit E.

City Actions approved as stated in A,B,C.

**Vice Mayor Sawkins moved to approve the recommended action; seconded by Councilmember Costanzo. There were no objections, it was so ordered.**

Recommended Actions – Agency

- A. Amend the Streetscape Standards for the Redevelopment Project Area to include proposed new and enhanced as described in Exhibit B elements.
- B. Approve the San Gabriel Boulevard Streetscape Master Plan (Exhibit C), including the San Gabriel Boulevard Bridge streetscape treatment (Exhibit D), as proposed by KSA.

Agency Actions approved as stated in A,B.

**Agencymember De La Torre moved to approve the recommended action; seconded by Vice Chair Sawkins. There were no objections, it was so ordered.**

8. APPROVAL OF AGREEMENT BETWEEN AGENCY AND O'DONNELL CHEVROLET

Approval of Agreement Between Agency and O'Donnell Chevrolet

Boand Automotive Group dba O'Donnell Chevrolet-Buick has operated an auto dealership at its San Gabriel location for over 72 years. It is the last remaining auto dealership in San Gabriel and last year it generated approximately \$116,000.00 in sales tax for the City. The dealership has requested financial assistance from the Agency to meet General Motors' new branding and image standards, a requirement for the dealership to retain its franchise agreement with GM. The estimated cost of implementing these improvements is \$1.2 million. Retention of the dealership operations and its 47 full-time jobs in the city is a primary economic development goal of the Agency.

Under the proposed agreement, the Agency will lend O'Donnell \$500,000.00 to provide up to one-half of the estimated cost of the renovation. The interest free loan is repayable in 10 years but would be repaid in whole or in part by annual credits based upon the dealership's sales tax generation in excess of the amount of sales tax the dealership currently generates. As consideration for the credits, O'Donnell would provide the Agency with a covenant to operate the dealership for a period of ten years and pay liquidated damages of \$300 per day if it ceased operation.

Deputy General Counsel Wallin presented the report.

Recommended Actions - Agency

Agency Actions approved as stated in A,B,C.

- A. Amend the FY 2010-11 Agency Budget to create a new special project "O'Donnell Chevrolet-Buick Loan" and allocate \$500,000 in RDA funds from San Gabriel Las Tunas and Broadway Intersection Improvement project, Account No. 122-800-54-97-715 for the construction of Improvements to be implemented by the dealership; and
- B. Approve Agreement with a modification capping liquidated damages for breach of a covenant to operate if the dealership has generated an aggregate of \$1.2 million of local sales tax over the ten year term of the covenant, and authorize Executive Director to execute the Agreement on behalf of the Agency in substantially the form presented.
- C. Direct staff to file a notice of exemption pursuant to CEQA guidelines 15301, Class 1 (existing facilities).

**Agencymember De La Torre moved to approve the recommended action; seconded by Agencymember Costanzo. There were no objections, it was so ordered.**

9. APPROVAL OF AGREEMENT BETWEEN AGENCY AND LUCKY CENTER, LLC

Approval of Agreement between Agency and Lucky Center, LLC

Albertsons vacated the Lucky Center on January 27, 2011. Lucky Center LLC, the property owner, has located a new market tenant to occupy the space who is willing to operate a full-service market that would have cross-over appeal by having a mix of mainstream and ethnic products and services. To facilitate that tenancy and to upgrade the Center, the LLC is proposing a \$1,250,000 renovation of the facades, walkways, parking and amenities to create a more inviting and attractive environment for shopping center customers.

Under the proposed agreement the Agency will lend the LLC \$400,000.00 to provide up to one-half of the estimated cost of the renovation. The interest free loan is repayable in 15 years but would be repaid in whole or in part by annual credits based upon the shopping center's sales tax generation in excess of the \$86,667 in sales tax the center currently generates. As consideration for the credits, the LLC would provide the Agency with a covenant to operate the center with a market that has cross-over appeal for a period of ten years and pay liquidated damages of \$200 per day if it breached the covenant.

Staff recommends approval of the Owner Participation Agreement between the Agency and the LLC.

Deputy General Counsel Wallin presented the report.

Recommended Actions - Agency

Agency Actions approved as stated in A,B,C.

- A. Amend the FY 2010-11 Budget to create a new special project "Lucky Center LLC Agreement" and provide up to \$400,000 from CIP Project No. 1-08-22 San Gabriel Reconstruction account #122-945-54-96-519 for the construction of site improvements at 927-965 E. Las Tunas Drive to be implemented by Lucky Center; and

- B. Authorize Executive Director or designee to execute the Agreement on behalf of the Agency in substantially the form presented.
- C. Direct staff to file a notice of exemption pursuant to CEQA guidelines 15301, Class 1 (existing facilities).

**Agencymember Costanzo moved to approve the recommended action; seconded by Agencymember De La Torre. There were no objections, it was so ordered.**

10. APPROVAL OF EXPENDITURES BY AGENCY FOR REDEVELOPMENT OFFICE

Approval of expenditures by Agency for Redevelopment Office

Community Development Director Davis presented the report.

Agency Actions Approved as stated in A,B,C.

Recommended Actions – Agency

- A. Authorize the expenditure of \$143,848 of Agency funds appropriated to Account No. 122-945-54-96-514.
- B. Accept the project as complete as evidences by the closed out building permit.
- C. Authorize the filing of a Notice of Completion.

Vice Chair Sawkins declared Conflict of Interest and recused himself and left the Chamber.

**Agencymember Costanzo moved to approve the recommended action; seconded by Agencymember De La Torre. There were no objections, it was so ordered.**

Chair Gutierrez asked the Agency to take a ten minute break. Vice Chair Sawkins returned to the Chamber.

11. APPROVAL BY AGENCY OF WEBSITE REDESIGN AND DEVELOPMENT CONSULTANT

Approval by Agency of Website Redesign and Development Consultant

Finance Director Marston presented the report.

Recommended Actions – Agency

Agency Action approved.

- A. Authorize the Executive Director, or designee, to execute a Professional Services Agreement with CivicPlus in the amount of \$36,923 to provide website redesign and development services in substantially the form provided.

**Agencymember De La Torre moved to approve the recommended action; seconded by Agencymember Costanzo. There were no objections, it was so ordered.**

12. APPROVAL BY AGENCY OF COMMUNITY DEVELOPMENT DEPARTMENT BUSINESS FRIENDLY ACTION PLAN CONSULTANT AND AGENCY BUDGET AMENDMENT

Approval by Agency of Community Development Department Business Friendly Action Plan Consultant and Agency Budget Amendment

Community Development Director Davis presented the report.

Agency Action approved as  
stated in A,B.

Recommended Action – Agency

- A. Amend the FY 2010-11 Budget to create a new special project "Community Development Department" Business Friendly Action Plan and provide up to \$50,000 from CIP Project # 1-08-22, San Gabriel Reconstruction Account No. 122-945-54-96-500.

**Agencymember De La Torre moved to approve the recommended action; seconded by Agencymember Costanzo. There were no objections, it was so ordered.**

- B. Authorize the Executive Director, or designee, to execute the Professional Services Agreement with Bart Doyle & Associates in the amount not to exceed \$50,000, with the authority to refine the scope of services based on the proposal submitted by the firm.

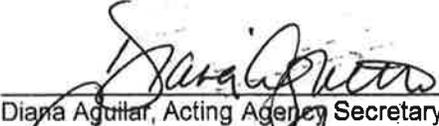
**Agencymember De La Torre moved to approve the recommended action; seconded by Agencymember Costanzo. There were no objections, it was so ordered.**

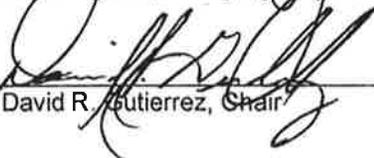
Mayor/Chair Gutierrez thanked the staff for their hard work in preparing the reports.

Adjourn

**At 5:48 p.m., Council/Agencymember Costanzo moved to adjourn; seconded by Council/Agencymember De La Torre. There being no objections, it was so ordered.**

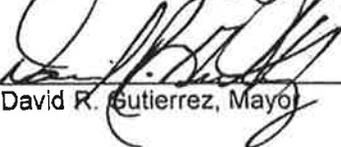
SAN GABRIEL REDEVELOPMENT AGENCY

  
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Diana Aguilar, Acting Agency Secretary

  
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David R. Gutierrez, Chair

SAN GABRIEL CITY COUNCIL

  
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Diana Aguilar, Acting Deputy City Clerk

  
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David R. Gutierrez, Mayor