

**SAN GABRIEL SUCCESSOR AGENCY OVERSIGHT BOARD
MINUTES**

Monday, July 22, 2013

Community Development Department Conference Room
410 McGroarty Street
San Gabriel, California 91776

1. CALL TO ORDER/ROLL CALL

Present:

Board Chair Hamid Behdad, Appointee of the Chancellor of the California Community Colleges
Board Member Frank Cheng, Appointee of the Los Angeles County Library
Annie Huang, Appointee of the Los Angeles County Board of Supervisors
Board Member Maria “Nonette” Martin, Appointee of the Los Angeles County Board of Education

Absent:

Board Vice Chair Thomas Marston, Appointee of the Mayor of the City of San Gabriel
Board Member David R. Gutierrez, Appointee of the Mayor of the City of San Gabriel
Board Member David Sweeney, Appointee of the Los Angeles Board of Supervisors

Also present were:

Teresa L. Highsmith, Oversight Board Legal Counsel
Peter Wallin, Deputy City Attorney, City of San Gabriel
Jennifer Davis, Community Development Director, City of San Gabriel
Diane Hadland, Successor Agency Staff, City of San Gabriel
Camille Paton, Deputy City Clerk, City of San Gabriel
Cesar Hernandez, Los Angeles County Commission Services

2. PUBLIC COMMENT

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 OVERSIGHT BOARD.

There was no one from the audience who wished to speak.

3. MINUTES OF REGULAR BOARD MEETING OF FEBRUARY 25 AND SPECIAL MEETING OF MAY 17, 2013.

MOTION: Moved by Board Member Cheng, seconded by Board Member Huang to approve the

minutes of regular board meetings of February 25 and Special Meeting of May 17, 2013. Motion carried 4-0 (Vice Chair Marston, Board Members Gutierrez and Sweeney were absent).

4. OLD BUSINESS

APPROVAL OF RESOLUTION NO. 13-03 RE-APPROVING THE PROPERTY MANAGEMENT PLAN AND APPROVAL OF RESOLUTION NO. OB 13-04 RE-AUTHORIZING THE SUCCESSOR AGENCY TO DISPOSE OF REAL PROPERTY ASSETS IN ACCORDANCE WITH THE PROPERTY MANAGEMENT PLAN FOR 1266-88 E. LAS TUNAS DRIVE (FORMERLY APN 5387-034-029 AND 538-034-028, NOW APN 5387-034-903 AND 5387-034-902).

Successor Agency Staff Diane Hadland provided the staff report. Chair Behdad requested Deputy City Attorney Peter Wallin give a brief history of the property to the Board. Mr. Wallin explained that the only properties owned by the San Gabriel Redevelopment Agency were two parcels that were acquired pursuant to a Disposition and Development Agreement with New Century Lincoln Mercury Dealership (the Developer). Acquisition costs were fully funded by New Century. For a number of reasons, including the fact that the dealership went out of business, the San Gabriel Redevelopment Agency did not convey the property to the Developer for development. The Redevelopment Agency still held the title to the property when the budget bill and the elimination of redevelopment were enacted. The terms of Disposition and Development Agreement gave the Agency the option of declaring the dealership/Developer in default and reselling the property. In the event the property was sold, all the money from the sale would go to the Developer because it provided the funds for the original purchase. The only money the City has in the transaction is about \$198,000 the City spent on cleanup and it was Mr. Wallin's assertion that if the property were to be sold today, the City would not recover the original \$2.4 million in costs. For the record, Chair Behdad asked for confirmation that the property today might be worth \$2 million dollars but it was bought for more than 2 million. The \$198,000 was what the city spent on demolition and cleanup of the property. Although the City technically holds the title to the property, it was never actually owned by the San Gabriel Redevelopment Agency. Mr. Wallin confirmed that this was true. Mr. Wallin also confirmed that the only two options available to the Successor Agency are to sell the property and give the money to the Developer or to convey the property to the Developer as proposed. Chair Behdad then turned the discussion to the Board Members and there were no questions or comments.

Chair Behdad asked General Counsel Highsmith to explain the corrections made to the resolutions. Ms. Highsmith clarified there were two changes made. The first change was that since the Oversight Board has received its finding of completion it shifts the focus of the Oversight Board and the Department of Finance (DOF) into the post compliance provisions of AB 1484. The Successor Agency had to state for the record that it had received the Finding of Completion and that requires a citation with a different code section within AB 1484. The second change to the resolution was to satisfy the DOF and specify that any funds that would flow from

the sale of the property in pursuant to the Property Management Plan will be used to be conveyed to the taxing entities.

Chair Behdad asked that Ms. Highsmith clarify the redlined changes made to the Long Range Property Management Plan. Ms. Highsmith explained the first comment was related to the category of disposition. The second comment was related to the description of the original reason why the property was acquired so when this goes to the DOF there is no confusion. Mr. Wallin added that the previous Property Management Plan was also created before the DOF distributed a template and what was added to the template and not on the original property management plan were the categories of permissible uses.

Chair Hamid also identified for the record that the APN number changed. Ms. Hadland confirmed that the numbering had changed. Originally the parcel numbers were 28 and 29 but by virtue of public ownership, they are re-numbered to 900 numbers. The new APN numbers are 902 and 903.

Board Member Cheng asked when the estimated value of the property was made. Mr. Wallin responded that it occurred at the early part of this year during the preparation of the first Property Management Plan. Ms. Hadland also added that when the property was originally acquired by the Redevelopment Agency, it was an improved property and the land is now vacant diminishing its value. Board Member Huang asked if the estimate made in 2004 during the acquisition included the improved properties before demolition. Ms. Hadland affirmed that it did include the improved properties.

MOTION: Moved by Chair Behdad, seconded by Board Member Cheng to adopt Resolution No. OB 13-03 re-approving the Property Management Plan. Motion carried 4-0.

AYES:

Board Chair Hamid Behdad
Board Member Frank Cheng
Board Member Annie Huang
Board Member Maria "Nonette" Martin

ABSENT:

Board Member David R. Gutierrez
Board Vice Chair Thomas Marston
Board Member David Sweeney

Ms. Hadland presented a staff report for OB Resolution 13-04 re-authorizing the Successor Agency to dispose of real property assets in accordance with the Property Management Plan for 1266-1288 E. Las Tunas Drive (formerly APN 5387-034-029 AND 538-034-028, NOW APN 5387-034-903 AND 5387-034-902). Chair Behdad clarified that if the DOF doesn't approve Resolution No. OB 13-03 then Resolution No. OB 13-04 will be voided. Ms. Hadland affirmed that this is true.

MOTION: Moved by Chair Behdad, seconded by Board Member Cheng to adopt Resolution No. OB 13-04 re-authorizing the Successor Agency to dispose of real property assets in accordance with the property management plan for 1266-88 E. Las Tunas Drive (formerly APN 5387-034-029 AND 538-034-028, NOW APN 5387-034-903 AND 5387-034-902). Motion carried 4-0.

AYES:

Board Chair Hamid Behdad
Board Member Frank Cheng
Board Member Annie Huang
Board Member Maria "Nonette" Martin

ABSENT:

Board Member David R. Gutierrez
Board Vice Chair Thomas Marston
Board Member David Sweeney

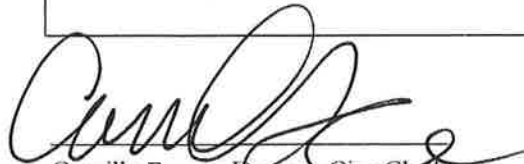
5. BOARD ITEMS

Chair Behdad inquired about the upcoming Oversight Board items. Ms. Hadland answered the ROPS 13-14B is due to DOF by October 1st and the Successor Agency is proposing to have two meetings to discuss this item in the event there is a lack of quorum or need for corrections. Ms. Hadland proposed to cancel the regular meeting on August 26th to give more time for staff to prepare the ROPS 13-14B and schedule a special meeting for the week of September 9th. The second meeting, if needed, would be the regularly scheduled meeting of the Oversight Board on September 23rd. The Board Members agreed cancelling the August meeting and scheduled a special meeting of the Oversight Board for September 11, 2013 at 10:00 a.m.

6. ADJOURNMENT

Adjournment to the special Board meeting of September 11, 2013, commencing at 10:00 a.m. in the City of San Gabriel Community Development Department Conference Room, 410 McGroarty Street.

Oversight Board actions are subject to review by the California State Department of Finance. As such, the Oversight Board Actions shall not be effective for five days pending a request for review by the Department of Finance.


Camille Paton, Deputy City Clerk


Hamid Behdad, Chair