

MINUTES
OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY

SAN JOSE, CALIFORNIA

THURSDAY, JANUARY 9, 2014

The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José convened at 9:03 a.m. in the Council Chambers at San Jose City Hall.

1. Call to Order and Roll Call

9:00 a.m.- Call to Order in Council Chambers

BOARD MEMBERS PRESENT

Chuck Reed, City of San José (9:13 a.m.)
Abraham Andrade, City of San José
John Guthrie, County of Santa Clara
Tony Estremera, Santa Clara Valley Water District
David Barry, County of Santa Clara (Alternate)
Micaela Ochoa, Santa Clara County Office of Education
Ed Maduli, California Community Colleges

ABSENT

None.

STAFF PRESENT

Norberto Duenas, representing Successor Agency Executive Officer
Richard Doyle, Successor Agency General Counsel
Richard Keit, Successor Agency Managing Director
Julia Cooper, Successor Agency Chief Financial Officer

2. Adoption of Agenda

Approved.

3. Closed Session Report

None.

4. Approval of Minutes

Documents Filed: Oversight Board Minutes dated November 14, 2013.

The Minutes were pulled to indicate a correction to the title of Item 7.2, which should read “Amended and Restated Reimbursement Agreement”

Action: Upon motion by Board Member Maduli, seconded by Board Member Andrade, and carried unanimously, the Minutes of November 14, 2013 were approved, with a correction to the title of Item 7.2 as indicated. (7-0.)

5. Consent Calendar

None.

6. Items Scheduled for Action/Discussion

6.1 Approval of Governmental Purpose Property

Documents Filed: Memorandum from Executive Officer Ed Shikada, dated December 20, 2013, recommending adoption of a resolution.

Successor Agency Managing Director Richard A. Keit provided Staffs’ recommendations and responded to questions from the Board.

Action: Upon motion by Board Member Estremera, seconded by Board Member Guthrie the motion carried unanimously, and [Oversight Board Resolution No. 2014-01-1058](#), entitled “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City Of San José Approving the Transfer of the Circle of Palms Property as a Governmental Purpose Property from the Successor Agency to the City of San José in Accordance with Health and Safety Code Section 34181(A)”, was adopted. (6-0-1. Absent: Reed.)

6.2 Long-Range Property Management Plan (LRPMP)

Item 6.2 was heard following Items 6.3 and 6.4 to allow for participation by Chair Reed.

Documents Filed: (1) Memorandum from Executive Officer Ed Shikada, dated December 20, 2013, recommending review and discussion of the Draft Long Range Property Management Plan and direction to Successor Agency Staff. (2) Letter from Marne S. Sussman, Pillsbury, Winthrop, Shaw & Pittman LLP on behalf of Stand for San José, dated January 8, 2014.

Successor Agency Managing Director Richard A. Keit provided an overview of the Plan.

Public Comments: (1) Marne S. Sussman, representing Stand for San José, referenced the Diridon Properties, submitting they do not believe the obligation with the option agreement to AIG is enforceable under the law, and the Oversight Board has the duty to reject the plan; and, additionally, that the Oversight Board should request an updated appraisal for these properties. (2) Mark Marson addressed use of Property #18, 1343 The Alameda, Hanchett Parking Lot, citing its potential in revitalizing The Alameda and interest in raising money for park conversion.

Extensive discussion of the Long-Range Property Management Plan ensued, with a property-by-property review and Staff response to questions from the Board. Property #1 through Properties #60-64 were reviewed, with discussion to be continued at the January 30, 2014 meeting of the Oversight Board.

Action: No action required.

6.3 FY 2012 -13 Annual Financial Statement Presentation.

Documents Filed: (1) Joint memorandum from Successor Agency Managing Director Richard A. Keit and Successor Agency Chief Financial Officer Julia Cooper, dated December 13, 2013, recommending acceptance of the Independent Auditor's Reports and basic financial statements for the Agency for the period July 1, 2012 to June 30, 2013. (2) Independent Auditor's Reports and Basic Financial Statements for the year ended June 20, 2013, provided by MGO Certified Public Accountants.

Chief Financial Officer Julia Cooper offered a presentation of the audit report and discussed the impact of improved credit ratings. Principal Accountant, Grace Martinez followed up with an overview of the City's fiduciary position. Upon request from Board Member Ochoa, staff agreed to provide an ongoing report on the status of moving financial operations out of the Agency's system to the City's system.

Action: No action required.

7. Reports and Correspondence

7.1 November 15, 2013, Letter from Department of Finance to Managing Director regarding their review of the Recognized Obligation Payment Schedule (ROPS 13-14B)

Documents Filed: Letter from Justyn Howard, Assistant Program Budget Manager, California Department of Finance, to Successor Agency Managing Director Richard A. Keit dated November 15, 2013, regarding the Recognized Obligation Payment Schedule.

Action: No action required.

7.2 November 22, 2013, Letter from Department of Finance to Managing Director regarding approval of Oversight Board Action: OB Resolution No. 2013-10-1055, approving the Amended and Restated Disposition and Development Agreements

Documents Filed: Letter from Justyn Howard, Assistant Program Budget Manager, California Department of Finance, to Successor Agency Managing Director Richard A. Keit dated November 22, 2013, approving the Amended and Restated Disposition and Development Agreements.

Action: No action required.

7.3 December 10, 2013, Notification of Insufficiency of Funds from the Managing Director to County Finance Director/County Controller

Documents Filed: Letter from Successor Agency Managing Director Richard A. Keit to Finance Director Santa Clara County, Emily Harrison, dated December 10, 2013, regarding the Notification of Insufficiency of Funds.

Action: No action required.

7.4 December 12, 2013, Letter from Executive Officer to County Executive regarding the Amended and Reinstated Agreement among the Redevelopment Agency, City of San Jose and the County of Santa Clara.

Documents Filed: Memorandum from Executive Officer Debra Figone to Dr. Jeffrey Smith, County Executive, dated December 12, 2013.

Action: No action required.

7. Reports and Correspondence (Cont'd.)

7.5 December 17, 2013, Letter from Department of Finance to Managing Director regarding their review of the Recognized Obligation Payment Schedule (ROPS 13-14B)

Documents Filed: Letter from Justyn Howard, Assistant Program Budget Manager, California Department of Finance, to Successor Agency Managing Director Richard A. Keit dated December 17, 2013, approving the Oversight Board's actions regarding their review of the Recognized Obligation Payment Schedule.

Action: No action required.

7.6 Successor Agency Ratings and Fiscal Impact (To be heard with item 6.3)

Documents Filed: Memorandum from Executive Officer Ed Shikada, dated January 6, 2014, regarding Agency ratings and fiscal impact.

Action: No action required.

7.7 December 20, 2013, Letter from Acting Director, Finance Agency, County of Santa Clara to State Controller regarding Verification of Insufficiency of Funds for the period of January 1, 2014 – June 30, 2014 (ROPS 13-14B)

Documents Filed: Letter from Acting Director County of Santa Clara Finance Agency, Emily Harrison, to the State Controller's Office, dated December 20, 2013, regarding verification of insufficiency of funds.

Action: No action required.

7.8 December 23, 2013, Letter from State Controller (SCO) to County Executive regarding SCO's Response to the City of San Jose Successor Agency's Claim (re; Insufficiency of Funds)

Documents Filed: Letter from Manager RDA Special District Reporting Section, State Controller's Office, Karen Garcia, to Acting Director County of Santa Clara Finance Agency, Emily Harrison, dated December 23, 2013, providing a response to the Agency's claim regarding insufficiency of funds.

Action: No action required.

7. Reports and Correspondence (Cont'd.)

7.9 January 2, 2014, Letter from County Controller to Successor Agency, Chief Financial Officer regarding Redevelopment Property Tax Trust Fund Distribution (January 1-June 30, 2014)

Documents Filed: Letter from Controller, Treasurer, County of Santa Clara Finance Agency, Irene Lui, to Chief Financial Officer Julia Cooper, dated January, 2014, regarding the Redevelopment Property Tax Trust Fund Distribution.

Action: No action required.

8. Future Agenda Items

Successor Agency Managing Director Richard A. Keit offered that the review of the Long-Range Property Management Plan will be continued at the Oversight Board's January 30, 2014 meeting.

9. Open Forum

None.

10. Adjournment

The Oversight Board of the Successor Agency to the Redevelopment Agency was adjourned at 11 a.m. to 9:00 a.m. Thursday, January 30, 2014 at San José City Hall.

Minutes Recorded, Prepared and Respectfully Submitted by,

ATTEST:
OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY
TONI J. TABER, CLERK OF THE BOARD

Ruth Krantz, Deputy Clerk of the Board

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