

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

SAN JOSE, CALIFORNIA

THURSDAY, FEBRUARY 13, 2014

The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José convened at 8:32 a.m. in the Council Chambers at San Jose City Hall.

1. Call to Order and Roll Call

8:32 a.m.- Call to Order in Council Chambers

BOARD MEMBERS PRESENT

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

ABSENT

All Present.

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

The Board determined that there would be no requirement at this time to adjourn to a Closed Session and continued on in Open Session.

3. Closed Session Report

None.

4. Approval of Minutes

Documents Filed: Oversight Board Minutes dated January 30, 2014.

Board Members Ochoa and Maduli noted their absence at the meeting of January 30, 2014. (note: Nimrat Johal represented Santa Clara County Office of Education as an alternate at this meeting.)

Action: Upon motion by Board Member Estremera, seconded by Board Member Guthrie, and carried unanimously, the Minutes of January 30, 2014 were approved. (5-0-0-2. Abstain: Maduli, Ochoa.)

5. Consent Calendar

None.

6. Items Scheduled for Action/Discussion

6.1 Long-Range Property Management Plan (LRPMP) Approval

Documents Filed: (1) Memorandum from Executive Officer Ed Shikada, dated February 7, 2014, regarding Approval of the Long Range Property Management Plan. (2) Supplemental memorandum from Executive Officer Ed Shikada, dated February 12, 2014, regarding Tax Exempt Bonds & Private Activity. (3) Letter from Deputy County Executive Santa Clara County, James Williams, dated February 12, 2014, offering comments and proposed modifications to the LRPMP (4) Letter from Marne S. Sussman, Pillsbury Winthrop Shaw Pittman, LLP, dated February 11, 2014, to Members of the Oversight Board, urging Diridon Properties not be used to fulfill an enforceable obligation, but instead listed in the LRPMP as “Properties for Sale”.

The Board continued its discussion of the Long-Range Property Management Plan from the Oversight Board Meeting of January 30, 2014, continuing its review of properties and reviewing the redlined version of the Long-Range Property Management Plan. Extensive discussion ensued, focusing on the categorization of properties, and Staff responded to questions from the Board.

(Item Continued on the next page)

6.1 Long-Range Property Management Plan (Cont'd.)

Dialogue continued between Staff, Deputy County Executive Santa Clara County, James Williams, and the Board.

Public Comments: John McMillan, San José Fire Museum President, and April Halberstadt, Historian, San José Fire Museum Advisory Board, expressed appreciation for the opportunity to acquire Fire Station #1 for a fire museum, as it will be a great asset to the community.

Motion: Board Member Estremera moved approval of the red-lined version of the Long-Range Property Management Plan, with an opportunity for further discussion and including changes as indicated below in 'Action'. Board Member Estremera seconded the motion.

Action: On a call for the question, the motion carried unanimously, and [Resolution No. 2014-02-1059](#), entitled: "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José Approving the Long Range Property Management Plan Pursuant to Health and Safety Code Section 34191.5", was adopted. If the meet and confer with the State Department of Finance is successful, approving the transfer of properties #69-75 and #97 as government use, they can be removed from the Plan. Also, the language in the disposition strategy for the property section (item 10 on each) shall read "The Successor Agency will retain the property for future development *for a street* and will enter into a compensation agreement..." Additionally, regarding South Hall – Property #77-96, rather than a specific date (July 1, 2015) for affected taxing entities to work out a cooperative compensation agreement, a date of "18 months after the Department of Finance approves the Long-Range Property Management Plan" was deemed appropriate. (7-0.)

6.2 Approval of the Property Disposition Process

Item heard first

Documents Filed: (1) Memorandum from Executive Officer Ed Shikada, dated February 7, 2014, recommending adoption of a resolution approving a Property Disposition Process for the sale of Successor Agency owned properties. (2) Letter from Deputy County Executive Santa Clara County, James Williams, dated February 12, 2014, recommending modifications to the proposed Property Disposition Process.

Successor Agency Managing Director Richard A. Keit provided an overview.

Deputy County Executive Santa Clara County, James Williams outlined changes as recommended by the County. Senior Deputy City Attorney Tom Murtha offered further insight and responded to questions, and extensive discussion followed.

6.2 Approval of the Property Disposition Process (Cont'd.)

Motion: Board Member Snow moved approval of the red-lined version of the Disposition Process for Sale of Properties as indicated below. Board Member Estremera seconded the motion.

Upon discussion, the Board agreed to provide changes to the Disposition Process for Sale of Properties, whereas the first paragraph under Section 2. Sale to Public Entity or Non-Profit Based on Appraised Value would be changed to “First, with sufficient time prior to the Oversight Board’s approval of the solicitation schedule *for a set of properties*, the Successor Agency shall notify each affected taxing entity (or the two non-profits, where applicable) that it has 30 days to indicate interest...”.

Additionally, the second paragraph will be reworded “If an affected taxing entity affirmatively indicates an interest in a property in writing within the 30 day window, that shall be noted on the solicitation schedule presented to the Oversight Board, *and such sale to the affected taxing entity shall be approved or rejected by the Oversight Board at that time.*”

Action: Upon motion by Board Member Snow, Seconded by Board Member Estremera, the motion carried unanimously, with the red-lined version accepted with revisions as indicated above, and [Resolution No. 2014-02-1060](#), entitled: “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José Approving the Property Disposition Process for the Sale of Successor Agency Owned Properties. (7-0.)

6.3 Presentation and Discussion of ROPS 14-15A

Documents Filed: Memorandum from Executive Officer Ed Shikada, dated February 7, 2014, regarding presentation and discussion of the Successor Agency’s proposed July 2014 – December 2014 Administrative Budget and Draft Recognized Obligation Payment Schedule 14-15A.

Successor Agency Managing Director Richard A. Keit provided an overview, and Successor Agency Contract Manager Sandy Shayesteh, offered a presentation of the 14-15A ROPS, indicating that the final version will be presented to the Oversight Board on February 27, 2014, to then be submitted to the Department of Finance on or by March 3, 2014.

Successor Agency Managing Director Richard A. Keit recommended that any questions from the Board be directed to Staff well in advance of the next meeting so they may be addressed to the Board’s satisfaction.

Action: No action required.

7. Reports and Correspondence

None.

8. Future Agenda Items

Closed Session processes to be agendized per Board Member Ochoa. Board Member Guthrie requested more time to review the administrative budget.

9. Open Forum

None.

10. Adjournment

The Oversight Board of the Successor Agency to the Redevelopment Agency was adjourned at 10:25 a.m. to 9:00 a.m. Thursday, February 27, 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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