

**Meeting of the  
Oversight Board for the Successor Agency  
To the Redevelopment Agency of the  
City of Fresno**

**Meeting Minutes  
August 17 & 20, 2012**

The Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Fresno met at 1:03 p.m. in Conference Room C, City Hall on August 17, 2012.

Present were:

Terry Bradley, appointed by Fresno County Superintendent of Schools  
Debbie Poochigian, appointed by Fresno County Board of Supervisors  
Jeff Reid, appointed by Chancellor of the California Community Colleges  
George Smith, appointed by Mayor of Fresno  
Doug Vagim, appointed by Fresno County Board of Supervisors **arrived at 1:05 p.m.**  
Bob Van Wyk, appointed by Metropolitan Flood Control District (Special District)  
Larry Westerlund, appointed by Mayor of Fresno

I. Call to Order

The meeting was called to order by Mr. Bradley at 1:03 p.m. Roll Call was taken and the Pledge of Allegiance was conducted.

II. Approval of Minutes of July 23, 2012

Mr. Reid made a motion to approve the July 23, 2012 minutes. There was a second by Mr. Smith. The motion passed on a vote of 6-0-1 with Mr. Vagim absent.

III. Recognized Obligation Payment Schedule (ROPS)

Ms. Murphey explained the process that will be used for this round of ROPS. DOF requested that all items be listed on the ROPS even if funds are not being requested. The NFR after some items means "no funds requested". Housing assets are listed as enforceable obligations and are identified as housing under the description section. The items with an asterisk indicate priority for today, but any item on the list can be heard. Ms. Murphey went over the Summary of ROPS and responded to questions.

Mr. Behrens explained the Housing Asset changes. AB1484 is basically bypassing the Oversight Board under 34176. The City has elected to retain the housing assets as defined. Therefore, the statutes says all rights, powers, duties, obligations, and housing assets as defined are essentially transferred to the City. The only exception is "excluding any amounts or deposit on the low to moderate income housing fund and enforceable obligations retained by the Successor Agency shall be so transferred". There was more discussion on this topic. Mr. Sloan interjected stating that AB1484 is a fork in the road and all housing assets, powers, duties and obligations are transferred to the City and go on a different path. More discussion ensued.

There was discussion regarding adding language to the resolution regarding what DOF approved the last time. There was more discussion regarding the Summary of ROPS and procedural issues.

1. Consider Resolution to approve the following ROPS for Jan – Jun 2013

Line 1 – Irretch Developer Reimbursement Agreement (formerly Airport Line 1, pg. 1)

Ms. Murphey gave an overview of this item. The item was taken out to the public for comments, there were none. Mr. Westerlund made a motion to approve; the motion was seconded by Mr. Smith. The motion passed on a 7-0 vote.

Ms. Murphey stated that line 2 is completed but it will always show on the ROPS.

Line 3 – Downtown Stadium Agreement (formerly CBD Line 1, pg. 2)

Ms. Murphey gave an overview of this item. Mr. Westerlund made a motion to approve this item remaining on the January through June period; the motion was seconded by Mr. Smith. Mr. Reid stated an objection on the record that this is not an enforceable obligation in his judgment. Discussion ensued. The item was taken out to the public for comments, there were none. The motion passed on a 4-3 vote with Ms. Poochigian, Mr. Reid and Mr. Vagim voting no.

Line 4 – Hotel Fresno Owner Participation Agreement (formerly CBD Line 4, pg. 2)

Mr. Westerlund stated that since the follow up legislation clearly indicates that this is now the City of Fresno Successor Agency housing asset, he doesn't think we need to take this item up at all. The Oversight Board doesn't have jurisdiction over this matter either for the asset or the money associated with assisting that project when it finally moves forward. Mr. Reid respectfully disagreed. He believes that it only a housing asset to the extent that there is an enforceable obligation associated with it and if there is a contract which has not been performed then it is in breach; then it is not an enforceable obligation in which case the encumbered assets are subject to being made available to the other taxing entities. Mr. Reid suggested removing the item from the ROPS. Mr. Bradley doesn't think removing the item from the ROPS is an option. Mr. Sloan added that it has already been determined to be an enforceable obligation by the board, as well as the DOF. More discussion ensued.

Mr. Westerlund made a motion that the board not consider this item, and include language in the resolution saying we did not consider pursuant to our earlier discussion regarding the line items that are not underlined. Mr. Smith seconded the motion. This item was taken to the public for comment, there was none. The motion passed on a vote of 6-1 with Mr. Reid voting no.

Line 6 – Apple Valley Infrastructure (formerly Central City Line 2, pg. 3)

Ms. Murphey provided an overview and responded to questions for this item. Mr. Westerlund made a motion to approve this item; Mr. Van Wyk seconded the motion. This item was opened up to the public for comment; there was none. The motion passed on a vote of 6-1 with Mr. Vagim voting no.

At this time Mr. Reid made the following announcement: for line item 8 I am declaring a recusal due to a business position and financial interest with McCormick Barstow and Uniwell as a source of income to McCormick Barstow. For line item 14, I have a business interest and financial source of income with McCormick Barstow and Mr. Frazier's entity is a party, I will be recusing myself in respect to that one. Also in respect to line items 21 and 22 for the Community Medical Center, I have a business position and a source of income from McCormick Barstow and it is a source of income for McCormick Barstow so I will be recusing myself. In respect to the SPCA, line item 26, no action being taken, but I have the same business interest. With respect to line item 27, Mr. Russ Smith is an interested party in Foundry Park Investors, which is an interested party and he is a source of income to McCormick Barstow and I have a business interest and financial source of income with McCormick Barstow and I am recusing myself from this item.

Line 8 – Radisson Hotel Promissory Note #24 & #25 (formerly Conv Ctr Line 2, pg. 4)

Ms. Murphey provided an overview of this item. Mr. Westerlund made a motion to approve this item. The motion was seconded by Mr. Smith. Mr. Vagim made comments regarding why he will not be supporting this item. Mr. Behrens was asked to give his opinion on this item. Mr. Behrens stated that he believes that this is an enforceable obligation. This item was opened to the public, there was none. This item passed on a vote of 4-2-1 with Ms. Poochigian and Mr. Vagim voting no, and Mr. Reid recusing himself.

Line 14 – Clinton/Weber Commercial Development (formerly Fwy 99 Line 6, pg. 5)

Ms. Murphey provided an overview of this item and responded to questions. Mr. Westerlund made a motion to approve this item. The motion was seconded by Mr. Smith. No one from the public was in attendance at this time. The motion passed on a vote of 6-0-1 with Mr. Reid recusing himself.

Line 21 – CMC Regional Medical Center (formerly Jefferson Line 1, pg. 9)

Ms. Murphey provided an overview of this item and responded to questions. Mr. Westerlund made a motion to approve this item. The motion was seconded by Mr. Van Wyk. The item was opened to the public for comment, there was none. The motion passed on a vote of 6-0-1 with Mr. Reid recusing himself.

Line 22 – CMC Regional Medical Center (formerly Jefferson Line 2, pg. 9)

Ms. Murphey and Ms. Barletta provided an overview of this item and responded to questions. Mr. Van Wyk made a motion to approve this item. Mr. Westerlund seconded the motion. This item was taken to the public for comment, there was none. The motion passed on a vote of 6-0-1 with Mr. Reid recusing himself.

Line 27 – CFD#5 Developer Agreement (formerly South Van Ness Line 2, pg. 13)

Ms. Barletta provided an overview of this item. Mr. Westerlund made a motion to approve this item. The motion was seconded by Mr. Van Wyk. This item was taken to the public for comment, there was none. The motion passed on a vote of 6-0-1 with Mr. Reid recusing himself.

Line 33 – EOC Property Maintenance (formerly Other page, Line 2)

Ms. Murphey provided an overview of this item and responded to questions. There was discussion and references to the Health and Safety Code. Mr. Westerlund made a motion to approve. Mr. Smith seconded the motion. There was no one from the public in attendance at this time. The motion passed on a vote of 7-0.

Line 34 – Property Sale/Disposition of Agency Properties (formerly Other page, Line 8)

Ms. Perez and Ms. Murphey provided an overview of this item and responded to questions. Mr. Reid made a motion to reduce this ROP from \$526,000 to \$100,000. Ms. Poochigian seconded the motion. There was discussion regarding the Butler property being a separate line item and whether or not it is an enforceable obligation. Mr. Sloan stated that the Successor Agency owns the property. Some board members expressed need for more information before making a decision on this item. By consensus the board agreed to table this item until Monday, August 20th.

A ten minute break was taken at this point. Mr. Van Wyk left the meeting at 3:35 p.m.

Line 35 – Annual Disclosure/Tax Allocation Bonds (formerly Other page, Line 10)

Ms. Murphey provided an overview of this item and responded to questions. There was discussion regarding why this item was not considered an administrative item. Mr. Bradley made a motion to deny ROP line 35 and move it into line 38. The motion was seconded by Ms. Poochigian. There were no members from the public in attendance at this time. The motion passed on a 4-2-1 vote, with Mr. Smith and Mr. Westerlund voting no, and Mr. Van Wyk absent.

Line 36 – CALPERS Unfunded and Employee Leave Payout (formerly Other page, Line 12)

It was determined that this item will be tabled until Monday, August 20<sup>th</sup>.

Line 37 – EPA Grant (formerly Other page, Line 13)

Mr. Mendez provided an overview of this item. There is no action required; however by consensus, the board requested that expenditures be footnoted up to \$400,000.

Line 38 – Successor Agency Administrative Budget (formerly Other page, Line 1)

Ms. Murphey provided an overview of this item. Discussion ensued. Due to the number of questions the board decided by consensus to table this item until Monday.

Line 39 – Facility Lease (formerly Other page, Line 18)

Ms. Murphey explained that the existing lease for office space can be terminated 90 days prior to June 2013. Mr. Westerlund made a motion to approve this item. Mr. Smith seconded the motion. Discussion ensued. No one from the public was in attendance at this time. The motion passed on a 4-2-1 vote with Ms. Poochigian and Mr. Reid voting no, and Mr. Van Wyk absent.

Line 40 – Due Diligence/Audit

Ms. Murphey provided an overview of this item including an estimate for the audit. Discussion ensued. Mr. Westerlund made a motion to approve the estimate. Mr. Smith seconded the motion. No one from the public was in attendance at this time. The motion passed on a 5-1-1 vote with Mr. Reid voting no and Mr. Van Wyk absent.

At this point, Ms. Poochigian recused herself from the following items due to campaign contributions: 5, 9, 10, 11, and 13. Mr. Reid recused himself from items 9-10.

Line 5 – Property Based Improvement District (formerly CBD Line 5, pg 2); Line 11 – Property Based Improvement District (formerly Conv Ctr Line 7, pg 4)

Ms. Murphey provided an overview of this item. Discussion ensued. There was a motion to approve items 5 and 11 by Mr. Vagim. Mr. Westerlund seconded the motion. No one from the public was in attendance at this time. The motion passed on a vote of 5-0-2 with Ms. Poochigian recusing herself and Mr. Van Wyk absent.

Line 24 – 2003 Mariposa Tax Allocation Bonds (formerly Mariposa Line 4, pg 10); (Line 25 – California Infrastructure Bank Loan (formerly Mariposa Line 4, pg 13); Line 30 – 2001 Merger 2 Tax Allocation Bonds (formerly Southwest Line 2, pg 15).

Ms. Murphey presented the items. Mr. Westerlund made a motion to approve these items. The motion was seconded by Mr. Reid. No one from the public was in attendance at this time. The motion passed on a 5-0-2 vote with Ms. Poochigian recusing herself and Mr. Van Wyk absent.

IV. Inquiry/Discussion Regarding Housing Asset List  
Board Member Reid - Discussion ensued and Ms. Murphey responded to questions from the board.

V. Public Comment

Mr. Reid stated at the last meeting when the by-laws were being discussed, he expressed some frustration because the staff had not distributed the draft by-laws that he and Mr. Vagim passed out. Staff did not pass out the by-laws because he did not give it to them, and he therefore owes Ms. Cooper an apology, and he wanted to publicly provide that to her.

Mr. Reid would also like to recuse himself from the following line items on the ROPS: Items 9-10 he represents Old Armenian Town which is a source of income to McCormick Barstow and he has a source of income and business position with McCormick Barstow. Line item 13, Don Pickett and Associates is a source of income to the firm; he has a business position and a financial interest with McCormick Barstow.

Mr. Bradley suggested taking a look at the draft resolution so that we are able to finish everything in one day at the next meeting.

There was discussion regarding board members speaking to citizens regarding specifics of projects and the potential liabilities to the board. The role of board members was also discussed.

The meeting adjourned at 5:15p.m.

Meeting Continued August 20, 2012

The meeting continued at 1:04p.m. During roll call it was noted that Ms. Poochigian will be absent during the entire meeting, all other board members were present.

III. Recognized Obligation Payment Schedule (ROPS)

Line 9 – Convention Center Development – Old Armenian Town LLC (formerly Conv Ctr Line 5, pg. 4)

Ms. Cox provided an overview of this item and responded to questions. The item was open to the public. One person spoke. Mr. Westerlund made a motion to approve this item. Mr. Smith seconded the motion. Mr. Vagim made an amendment to the motion to bring the amount down from \$2.5 million to \$500,000. The amendment died due to the lack of a second. Returning to the original motion, the motion passed on a 4-1-2 vote with Mr. Vagim voting no, Mr. Reid recusing himself and Ms. Poochigian absent.

Line 10 – Construction Management Contract – Historic Houses (formerly Conv Ctr Line 6, pg. 4)

Ms. Cox presented this item and distributed before and after pictures to the board members. Ms. Cox and Mr. Sloan responded to questions. Mr. Westerlund made a motion to approve this item. Mr. Van Wyk seconded the motion. The item was open to the public for comment, there was none. The motion passed on a vote of 5-0-2 with Mr. Reid recusing himself and Ms. Poochigian absent.

Line 13 – Brawley Industrial Development (formerly Fwy 99 Line 6, pg. 5)

Ms. Murphey provided an overview of this item and responded to questions. Mr. Westerlund made a motion to approve this item. The motion was seconded by Mr. Van Wyk. The item was opened to the public for comment; there was none. The motion passed on a 5-0-2 vote with Mr. Reid recusing himself and Ms. Poochigian absent.

Line 34 – Property Sale/Disposition of Agency Properties (formerly Other Line 8)

Ms. Perez provided an overview of this item and responded to questions. Mr. Westerlund made a motion to approve this item. The motion was seconded by Mr. Smith. There was more discussion regarding the cost of the remediation and whether or not the ROP could be separated. Mr. Westerlund amended his motion to include the ROP be approved now and on the next round, bifurcating the ROP after appropriate research has been performed. Mr. Smith accepted the amendment as the person who made the second to the motion. The item was opened to the public for comment; there was none. The motion passed on a vote of 4-2-1 with Mr. Reid and Mr. Vagim voting no, and Ms. Poochigian absent.

Line 36 – CALPERS Unfunded and Employee Leave Payout (formerly Other Line 12)

Ms. Murphey provided an overview of this item and responded to questions. Mr. Westerlund made a motion to approve this ROP in the amount of \$66,508 for this six month period. The motion was seconded by Mr. Van Wyk. There were no members of the public present. The motion passed on a 6-0-1 vote with Ms. Poochigian absent.

Line 38 – Successor Agency Administrative Budget (formerly Other Line 1)

Ms. Murphey provided an overview of this item and responded to questions. Mr. Reid stated that he will not be supporting this item because he feels line 39, the facilities lease, should be included. There was discussion regarding reconsidering line 39. After discussion, Mr. Westerlund made a motion to approve this ROP item in the amount of \$304,039.32 as proposed by staff. The motion was seconded by Mr. Smith. There were no members of the public present. Mr. Vagim stated for the record that he did support item 39 since this will be the last year the lease for this building will appear and when the staff moves to another building he feels it should be a part of the administrative budget. The motion passed on a vote. 5-1-1 with Mr. Reid voting no and Ms. Poochigian absent.

1. Consider Resolution to approve the above ROPS for January – June 2013.  
The board is voting on the items that are not underlined on the agenda. Mr. Reid distributed to the board members a written statement incorporated herein and on file with the Clerk explaining why he will be voting no on the Resolution. Mr. Sloan read Section 34176 from the statutes that the Successor Agency interprets as mandatory language that states money had to be moved and it is now on deposit with the Housing Asset fund and not the Successor Agency's other funds. Mr. Behrens read Section 34181, Section 22C which states "transfer housing assets pursuant to Section 34176", and so it looks like the Oversight Board doesn't have any discretion but to direct the Successor Agency. At this time the Resolution sets forth what the law is. Mr. Westerlund made a motion to approve as amended by the Oversight Board. The motion was seconded by Mr. Smith. Discussion ensued and as a result Mr. Westerlund amended his motion so that under Section 3, the last sentence in the resolution reads "At the request of the Department of Finance, the Oversight Board authorizes the listing of such assets on the ROPS and takes no action in recognition of the statutory transfer pursuant to section 34176 of ABX1 26 as amended by section 9 of AB 1484 effective on June 27, 2012." The amendment was accepted by Mr. Smith (the person who made the second to the motion). There were no members of the public present. The motion passed on a vote of 5-1-1 with Mr. Reid voting no and Ms. Poochigian absent.

The next meeting is tentatively scheduled for October 1, 2012 from 1pm to 3:15pm.

The meeting was adjourned at 3:40pm.

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