

The City Council met in special session at the hour of 2:00 p.m. in the Council Chamber, City Hall, on the day above written.

Present:	Brian Calhoun	Councilmember (Arrived shortly thereafter)
	Mike Dages	Councilmember
	Jerry Duncan	Councilmember
	Cynthia Sterling	Councilmember
	Larry Westerlund	Councilmember
	Blong Xiong	Acting Council President
	Henry Perea	Council President

Andrew T. Souza City Manager  
 James Sanchez, City Attorney  
 Becky Klisch, City Clerk  
 Cindy Bruer, Deputy City Clerk

President Perea led the Pledge of Allegiance.

-----

**DIRECT CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE A DEVELOPMENT AGREEMENT WITH THE TRUMP ORGANIZATION FOR A GOLF COURSE AND RESIDENTIAL DEVELOPMENT CURRENTLY KNOWN AS RUNNING HORSE, AND RETURN TO THE CITY COUNCIL FOR CONSIDERATION TO APPROVE ON OR BEFORE DECEMBER 11, 2007**

Mayor Autry thanked everyone in attendance for taking the time to attend the meeting, stating the issue before Council was one of the most important decisions to be made for the City, adding the deal that had been put together was on the verge of an economic impact, noting the project would provide tremendous benefits due to the various tournaments that would take place in the City. Mayor Autry stated cities all over the country would like to have the PGA in their area, stating Donald Trump wanted to invest in the City of Fresno, which in turn, would provide a reduction of poverty by providing more jobs in that area as well as a reduction in crime. Mayor Autry expressed concern with people fixating on who Donald Trump was instead of what Donald Trump could accomplish, adding the City of Fresno had property as collateral which made it either an opportunity or “dust worthless dirt”, stressing nothing in southeast Fresno was worthless and urged Council to proceed with the project at a minimal risk.

City Manager Souza reviewed the solid deal points for the agreement between the City of Fresno and the Trump Organization which included: **1.** The Trump Organization would take the responsibility to assemble approximately 437-acres currently under control of LaJolla, Scripps and I.R.C.R.H., and the City of Fresno would acquire the balance of parcels within the area; **2.** The Trump Organization would place an irrevocable Letter of Credit or other security that was appropriate in an amount the City could justify totaling approximately \$3.5 million; **3.** There would be no use of eminent domain on properties currently occupied by the Hayashi Family and the Mello Family; **4.** The Trump Organization would use expressed efforts to obtain the PGA tournament for the year 2009; and, **5.** The Trump branding and assurances that Trump would manage the property for a period of ten years.

City Attorney Sanchez reviewed the issue if a default occurred and stated the operational commitment was the Trump Organization would have the Trump branding but would not have a contractual commitment to operation for ten years.

Speaking to the issue were: Charles Waters, 5588 N. Palm Avenue, spoke in support of the project; Phil Fullerton, 1383 W. Morris Avenue, stated the City should be cautious when being involved in public condemnation and public necessity; Anthony Anderson, 4718 W. Griffith Way, stressed the important of Westside residents being involved and benefiting from the project; Booker T. Lewis, 5680 E. Christine Avenue, questioned the closing of Kearney Blvd. and California Blvd. and requested information regarding the study; George Finley, 252 E. Hawes Avenue, spoke in support and expressed concern with the people in west Fresno not benefiting from the proposed project; Diane Bennett Smith, spoke in opposition; Mary Curry, 312 W. Valencia, expressed concern with the project being put on hold and not being completed, read a letter from concerned citizens, on file in the City Clerk’s Office, and expressed concern with the noticing of the special meeting; Keith Kelly, President of Fresno West

Coalition on Economic Development (*address not given*), stated the project would provide benefits to the community and negotiations needed to be made at the onset of the development; Les Kimber, (*address not given*) spoke in support, stating this project was a crucial development for the community; Barbara Hunt, 2475 S. Walnut, expressed concern with using taxpayers money, adding the project should be with the County of Fresno; Victor Macias, 3162 W. Madison Avenue, expressed concern with taxpayers subsidizing the project; Charles Parnell, 935 Jasmon Avenue, spoke in support of the project; Margie J. Haymon, 909 E. Chester Street, emphasized the important of not using CDBG funds or eminent domain to purchase the property throughout the zip code of 93706; Lawrence Alridrez, 4563 W. Rio Bravo Drive, stressed the importance of the project benefiting the whole community and the project needed a long term approach; Ray Rendon, (*address not given*) and Rod Wapiennik, 2482 Stuart Avenue, Clovis, CA, spoke in support. Mary Curry (spoke earlier in the meeting) stated the West Fresno residents were not opposed to the project and emphasized the importance of the residents and their properties being considered throughout the process.

**(2-0)** Upon call, no one else wished to be heard.

City Manager Souza stated the project was an investment which would have an impact on the entire City of Fresno and would give underlying equities in the residents' properties and reviewed the parcels involved.

Councilmember Duncan spoke in support of the project, adding he felt all his concerns had been addressed through the proposed deal points. Councilmember Duncan stated the positive impact on the westside would be tremendous, adding all the entitlements were in place, along with the increase in the value of the properties and commended Mayor Autry for his dedication to the westside community. Councilmember Duncan was assured the Veteran's Home property deed would be returned to the Veteran's Home.

A motion to approve staff recommendation was acted upon after extensive discussion.

Councilmember Westerlund stated the current proposed deal points showed improvement, adding his concern with protecting the taxpayers, noting the Trump Organization was willing to purchase property at foreclosure and the City was to only acquire property, and reviewed the proposed amendments presented to Council regarding the deal points. City Attorney Sanchez stated a motion had already been made and the amendments needed to be identified in detail prior to proceeding with further discussion.

Councilmember Westerlund gave an extensive review of the amendments including: **1.** the City would only use options for the 15% of the property the City was required to secure under the deal as currently proposed; **2.** The Trump Organization would fully disclose to the City Attorney the contract and other document used to secure options on the 85% of the property they would acquire on the foreclosed properties; **3.** The Trump Organization would merely brand the project with his name but would actually develop, operate and manage the project for at least ten years; **4.** Minimum security deposit in cash or cash equivalent in the amount of \$3.5 million to cover the City for all risk; **5.** The Trump Organization would provide a security for all efforts undertaken by the City; **6.** The Trump Organization parent company (with assets) would provide a guarantee for the single asset entity used for the project; **7.** The City would not issue any bonds for the acquisition of any property for this project; and **8.** If there were lien issues, the Trump Organization would litigate all lien issues on his properties. The City would litigate all lien issues on the City's 15% of properties and the Trump Organization would reimburse the City for all costs related to the City's litigation.

A motion of Councilmember Westerlund, seconded by Acting President Xiong to include the above listed eight (8) amendments was discussed whereupon Acting President Xiong withdrew the second to the motion.

Mr. Sanchez stated the amendment to the motion needed to be accepted if it was going to be an amendment to the original motion. Councilmember Westerlund stated if the amendment was not accepted he would make the motion as an "unfriendly amendment" at the close of the discussions of the first motion.

After further discussion, President Perea seconded the amendment to the motion which later was withdrawn, and the amendment to the motion died due to a lack of a second.

Mr. Souza responded to questions by Councilmember Westerlund regarding any other agreements made to the Trump Organization other than what was in the deal points and the current discussion regarding issuance of City bonds with Mr. Souza stating a financial analysis would be done and would return to Council for approval.

Councilmember Dages questioned the confirmation of a professional golf tournament taking place in Fresno during the fall, the dollar amount the City would receive from the tournament, the property owned by Mr. Ho, the Letter of Credit versus a Memorandum of Understanding (MOU), use of bonds for the project, eminent domain and taxpayers liability with Mr. Souza and Mr. Sanchez responding.

Councilmember Sterling questioned whether any CDBG funds would be used with Mr. Souza stating no. Councilmember Sterling stated she had never recused herself from Running Horse discussions, adding the Veterans' Home was not a project the City had any control over and was dictated by the Federal Government. Councilmember Sterling added she was happy there were no plans to close Kearney Boulevard and questioned what would be the results of California Avenue with Mr. Souza responding. Councilmember Sterling stressed the importance of the project only dealing with the "footprint" adding it would not affect any other property other than the 436.7 acres that were originally purchase by Tom O'Meare. Councilmember Sterling requested Council consider including a deal point, in writing, adding a Community Benefit Agreement that would provide jobs for residents of the 93706 zip code and jobs for Veterans with the Trump Organization and his subcontractors so the highest area of poverty would have access to the jobs and requested a timeline relating to the construction of the golf course and the housing development. Mr. Souza responded to questioned relating to the cost and noticing of the special meeting.

**(3-0)** Mr. Souza stated the deal points presented today were terms approved in concept and cautioned adding additional terms that could possibly jeopardize what had been accomplished today with Mayor Autry concurring. Councilmember Sterling thanked everyone involved in the project. Brief discussion ensued on resuming the Mayor's committee relating to the project.

Acting President Xiong questioned issues relating to eminent domain and the City's responsibility and expressed concern of the results if one of the purchases did not come to fruition with Mr. Souza stating eminent domain was the last resort, and recommended specific language be included in the final agreement to include the special situation if eminent domain needed to be used and how it would be played out. Brief discussion ensued regarding the proposed amendments to the deal points, the future status of California Avenue and the Trump Organization making their "best efforts" to bring a PGA tournament to Fresno with Mr. Souza and Mr. Sanchez responding. Upon additional questioning by Acting President Xiong, he withdrew his second made on the amendment to the motion.

Councilmember Westerlund stated the City was still in negotiations and the amendments would ensure the City's risk would be minimized, adding the amendments would not change the basis structure of the deal points, noting he hoped he would receive a second to his motion.

The amendment to the motion made earlier in the meeting was seconded by President Perea, noting some amendments were more important than others, adding he would like to see some of the amendments included. President Perea thanked everyone involved for their hard work towards finalizing an agreement. Councilmember Duncan stated he felt comfortable with the deal points presented today and expressed concern with receiving the amendments just prior to the meeting and not providing an opportunity for the involved parties to review the amendments, noting he strongly discourage making the amendments as a mandate to the deal points.

Discussion ensued regarding how binding the deal points were with Mr. Sanchez stating if the motion was approved, staff would have to return to Council with a Development Agreement with the inclusion of the amendments. President Perea stated he would rescind his second, adding there were certain amendments he would like incorporated in the deal points. Mayor Autry stressed the importance of not adding additional deal points and gave his word he would meet with staff and provide a 100% effort to resolve all the issues. Councilmember Westerlund stated the amendment should be included in the deal points that are currently in discussion with the Trump Organization, adding these amendments would strengthen the City's security, noting if all of the amendments were not included, the deal would still return to Council. Councilmember Westerlund stated he was open to flexibility to the inclusion of some of the amendments.

Brief discussion ensued regarding some of the proposed deal points presented today with President Perea stating Amendments No. 1 and No. 4 would further create assurances that the taxpayers would not be at risk with Councilmember Westerlund concurring.

On motion of Councilmember Duncan, seconded by Councilmember Sterling, duly carried, RESOLVED, the City Manager and City Attorney are hereby directed to negotiate a Development Agreement with the Trump Organization for a golf course and residential development currently known as Running Horse, and return to the City Council for consideration to approve on or before December 11, 2007, by the following vote:

Ayes : Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea  
Noes : None  
Absent: None

- - - -

**ADJOURNMENT**

There being no further business to bring before the City Council, the hour of 4:17 p.m. having arrived and hearing no objections, President Perea declared the meeting adjourned.

*Approved* on the \_\_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Henry T. Perea, Council President

ATTEST: \_\_\_\_\_  
Cindy Bruer, Deputy City Clerk