

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

**Meeting Minutes  
September 11, 2014**

The Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Fresno met at 1:00 p.m. in Meeting Room 2120 (Meeting Room C), Fresno City Hall on September 11, 2014.

Present were:

Terry Bradley, appointed by Fresno County Superintendent of Schools

Michael Lima, appointed by the Mayor of Fresno

Doug Vagim, appointed by Fresno County Board of Supervisors

Alan Hofmann, appointed by Metropolitan Flood Control District (Special District)

Larry Westerlund, appointed by the Mayor of Fresno

Larry Hodges, appointed by State Center Community College District

Debbie Poochigan, appointed by Fresno County Board of Supervisors - **ABSENT**

- I. Call to Order
  1. Roll Call – The meeting was called to order at 1:02p.m.
  2. Pledge of Allegiance - Conducted
  
- II. Approval of the Minutes of September 4, 2014 – Mr. Hofmann pointed out that he should not have been included in the vote for the July 7, 2014 approval of the minutes because he did not attend that meeting. With that correction, Mr. Vagim made a motion to approve the minutes, Mr. Westerlund seconded the motion. The motion passed on a vote of 6-0 with Ms. Poochigan absent.
  
- III. Recognized Obligation Payment Schedule (ROPS)
  1. Consider Approval of Resolution Finding the Loans from the City to the Former Agency were Entered into the Legitimate Redevelopment Purposes and Authorizing the Successor Agency to Place the Repayment Obligations on the ROPS

Mr. Bradley presented this item to the board and asked Ms. Murphey to give an overview of the item. Ms. Murphey stated that under AB x 26 the repayment of most loans by a sponsoring community to its former RDA became unenforceable as of February 1, 2012. The old law AB x 26 loans between an agency and its sponsoring entity or not enforceable obligations. Then 1484 followed. 1484 directly changed that particular provision of AB x 26. Under that law following the finding of completion by the Department of Finance and that by the way is given to us, and upon approval of the Oversight Board and the Department of Finance loan agreements as of February 1, 2012 between the sponsoring entity and the Successor Agency can be deemed an enforceable obligation if the Oversight Board finds that the loans were for a legitimate redevelopment purposes. Ms. Murphey then discussed an overarching position of the Agency and the statement of indebtedness, and reporting requirement related to debts.

Ms. Murphey explained that the last Statement of Indebtedness (SOI) required what's in 2011-12 and all of the obligations in ROPS 7 from lines 42-109 in a project area are eminent in the 2011-12 SOI and the obligations are also shown on our audited financial statement of 2010-11.

Along with the SOI State law requires Agencies to have an independent financial audit each year in accordance with governmental accounting standards and require the audit to include a report on legal compliance. The Agencies can have no instances of non-compliance. Ms. Murphey then reviewed repayment with the board.

Mr. Westerlund made a motion to approve Resolution III. 1., loans for lines 42-109 for ROPS #6, the motion was seconded by Mr. Hodges. The motion was approved on a vote of 5-1 with Mr. Vagim voting no and Ms. Poochigan absent.

2. Consider approval of resolution for recognized obligation payment schedule for January 1 – June 30, 2015.

Mr. Bradley asked the board if there were any questions on lines 1-41. Mr. Vagim had questions on lines 9 and 10. He asked why do these items keep appearing on the ROPS but nothing happens to them. Ms. Murphey replied that this was a Disposition and Development Agreement (DDA). DDA has a provision where the Successor Agency has given notice of readiness to the developer when they have an entire site prepared to convey. Once the Successor Agency provides the developer with that

notice of readiness the developer has 120 days to respond back to the Successor Agency and either the developer is going forward with the Successor Agency's plan, or they are asking the Successor Agency to amend the plan. In this instance the historic homes are using a territory that makes them unavailable to us or we can't get them that course of readiness. Mr. Westerlund made a motion to approve Resolution III. 2., approve recognized Obligation Payment schedule for January 1 – June 30, 2015, lines 1-41. The motion was seconded by Mr. Lima. The motion passed on a vote of 6-0 with Ms. Poochigian absent.

#### IV. Discussion of Uniwell Legal Opinion

Mr. Vagim asked when the final payment to pay off the Certificates of Participation (COPs) made, what was the date? After discussion, staff confirmed that it was paid off prior to January 1, 2011.

There was no further discussion on this item.

#### V. Discussion of Line Items 70 and 71 to LRPMP

Mr. Vagim began the discussion by stating that after the board finished the Property Management Plan, he came back and wondered why lines 70 and 71 were put in a non-available for sale of properties. It was there for Armenian Town but it was never in the ROPS for Armenian Town. It was in there as a backup that may be used in a memo that you wrote back to them, they never had a culmination of a deal, no agreements were signed, how they were going to use it, etc. Mr. Vagim feels that it should be back on the Property Management Plan and he just wants an explanation of it.

Ms. Murphey stated they are still researching it, and responded to Mr. Vagim's questions. Mr. Sloan addressed Mr. Vagim's questions stating the Old Armenian Town disposition and development agreement is a fairly complicated development agreement. It provides that the RDA use its best efforts to acquire a certain property to turn over to the developer to complete that project. We use best efforts because we don't know whether for legal reasons they would be able to acquire property or they would not be a desire to use eminent domain potentially to acquire certain property. Because of the court decision concerning the historic homes, instead of those homes going south of 41, the court said to keep them within this footprint of the project. Because of that, the developer was not able to build the garage that they anticipated to serve the office buildings. The agreement implies that if the agency is unable to acquire

the require property necessary anticipated for the project that we use best efforts to acquire other property to make the property work for the developer. There is a process of negotiation, and meet and confer once one of those events happens to make the project work. We have completed that process. They have indicated that because of the loss of the property where the homes were going, they wanted to look at acquiring the property that we're talking about now to provide adequate parking. We're in the middle of that now. There was discussion regarding the difference in the cost per square foot.

Doug Vagim questioned if there was an agreement. Mr. Westerlund stated that there is an agreement and he has personal knowledge of it. There were no more questions or comments regarding this item.

VI. Public Comment.

There was no public comment

VII. Adjourn

The meeting adjourned at 2:35 p.m.

***The minutes of September 11, 2014 were approved at the February 19, 2015 meeting on a motion by Board Member Hodges and a second by Board Member Hofmann. The motion passed on a vote of 5-0, with Board Member Poochigian and Vagim absent.***