Meeting of the
Oversight Board for the Successor Agency
to the Redevelopment Agency of the
City of Fresno

Meeting Minutes
February 25, 2016

The Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Fresno met at 1:34 p.m. in Meeting Room 2120 (Meeting Room C), City Hall on February 25, 2016.

Present were:

Terry Bradley, appointed by Fresno County Superintendent of Schools
Larry Hodges, appointed by State Center Community College District
Rene Watahira, appointed by the Mayor of Fresno
Doug Vagim, appointed by Fresno County Board of Supervisors
Alan Hofmann, appointed by the Metropolitan Flood Control District (Special District)
Larry Westerlund, appointed by Mayor of Fresno **(arrived 1:36 p.m.)**
Debbie Poochigian, appointed by Fresno County Board of Supervisors

I. Call to Order
1. **Roll Call**
2. **Pledge of Allegiance**
3. **Member Comments**

The meeting was called to order by Chair Bradley at 1:34 p.m. and the roll call was taken. Board Member Westerlund arrived after roll call at 1:36 p.m. The pledge of allegiance was recited. There were no member comments.

II. Approval of Minutes of January 25, 2016.

Board Member Poochigian motioned to approve the minutes of January 25, 2016 with the following addition to be placed in the accurate location once someone has listened to the tape.

"Board Member Vagim asked for confirmation that the property disposition guidelines (PDG) include placement of for sale signs on properties. Executive Director Murphey referred to the PDG and confirmed that signage will be used to market properties. Board Member Poochigian added that to reach maximum value potential, marketing signage on each property should be displayed for a minimum of ___ days. Executive Director Murphey again confirmed that for sale signs will be used to market properties. She then displayed a computer generated photo of a for sale sign similar to those which will be placed on properties." Board Member Poochigian clarified that she believed the minimum number of days to display signage was between 30 and 60 days but asked

staff review the meeting audio to determine the correct number of days and the correct location to insert the additional paragraph in the minutes. Board Member Vagim seconded the motion.

The motion carries on a 5-2 vote with Board Members Westerlund and Watahira voting No.

Per the above, following the February 25, 2016 meeting, Fresno City Clerk Spence and Assistant City Clerk Stermer independently reviewed the audio from the January 25, 2016 meeting. Neither Ms. Spence nor Mr. Stermer could locate the discussion on signage that was to be included in the minutes.

III. Consider Approval of Resolution for the Use of $137,007.01 of Other Income During the Period July 1, 2015 Through December 31, 2015 (ROPS 15-16A)

Debra Barletta gave an overview of this item to the Board.

Board Member Westerlund made a motion to approve, Board Member Vagim made a second. The roll call vote carried on a 7-0 vote.

A short break was taken.

IV. Disposition of Agency Property

Chair Bradley asked that the order of sequence be IV 1-3 taken together, then IV 19 then IV 4. He also pointed out that if Item IV 1 on East Ventura is approved then IV 18 would automatically be off the agenda.

Upon question, Mr. Behren responded that it is up to the Board regarding what is expeditious and what is maximizing value.

Executive Director Murphey reviewed the agenda categories: first, the agreements that the Board already approved and that DOF reviewed and asked for minor changes to are those four properties listed in Item IV 1; second those properties that have been subject to request for proposal (RFP) or have been approved by the Successor Agency are listed as Items IV 2, 3 and 13; and, lastly, those properties in Items IV 4-18 are unsolicited offers. Ms Muphey noted that prior to DOF's approval of the Plan –that was over a year from submission in July 2014 to December 2015- a number of unsolicited offers were received and that she had stated in a prior meeting that she would bring them forward for the Board's action to adopt if it wished or to give other direction on the unsolicited offers.

1. Ms. Murphey reviewed background on the first properties, changes in the law and delays for the sale of property since July 2011 and DOF's requested changes to the agreements.

Upon question, Mr. Behren responded that there are two conditions of approval, one from DOF and one from the Board. The DOF did not approve except with these amendments. The persons who signed the purchase and sale agreements agreed to

those changes. Now it's back to the Board as to whether it agrees to those changes, and if not then there is not a binding agreement.

Ms. Doerr stated that the agreements were conditioned on the approval of the Successor Agency, the Oversight Board, and the Department of Finance. The Successor Agency approved, the Oversight Board approved, the Department of Finance said if you make these changes we have an agreement.

Board Member Westerlund made a motion to approve item IV 1. Upon question, Ms Murphey confirmed that the properties have been appraised and the appraisals are available to the public. Board member Vagim seconded the motion. Upon question regarding 941 G Street Ms. Murphey responded that the Agency owns the property and that Central Fish wants to purchase it as a replacement property because High Speed Rail (HSR) is purchasing its property.

Board member Poochigian asked Member Westerlund to amend his original motion and he declined. Board member Vagim made an amendment to the motion to remove from item IV 1, the (Ventura) property related to Item IV 18. Member Poochigian seconded the motion.

Chair Bradley stated that the board has an amendment to the original motion and a second to the amended motion and the amendment is to remove the Ventura Avenue properties. A roll call vote was taken. The motion failed on a vote of 5-2 with Board Member Poochigian and Board Member Vagim voting yes. Chair Bradley noted the original motion which was to vote on all properties in Item IV 1 stands and invited public comment.

Robert Wickon, Real Estate Agent, 6298 N. 11th St., Fresno, CA. spoke to the cumbersome effort, stated he was familiar with how it worked and wishes for an easier way to participate.

David Church with the Embree Asset Group, 4747 Williams Drive, Georgetown, TX., stated he submitted a backup offer for Item IV 18. Stated he was not looking to interfere with contract. He would like to purchase property from a back up position and that if there is a determination that there isn't a contract and there is opportunity to participate in a new RFP he would be interested.

Chair Bradley asked for further public comment. Hearing none Chair Bradley asked for a roll call vote. The motion passed on a vote of 6-1 with Board Member Poochigian voting no.

2. Item IV. 2, Abby and Belmont Avenues to Samuel P. Mathews and Cara L. Mathews Living Trust. There was discussion regarding for sale signs, the Property Guidelines and RFP's for this property. Member Westerlund made the motion and member Watahira seconded that motion. After discussion Chair Bradley asked if there were any more comments from the Board or from the public. Hearing none, Chair Bradley called for a roll call vote to approve IV. 2. The motion passed on a 5-2 vote with Board Members Poochigian and Vagim voting no.

3. Item IV. 3, northwest corner of Fresno and H Streets. Ms Murphey introduced the

item. Board Member Westerlund stated this property relates to Hotel Fresno that has been condemned and that the problem has always been the lack of parking. He stated the developer had the wherewithal and expressed support because it extends the value from the parking lot and attaches the lot to the hotel.

Board Member Westerlund made the following motion: A claw back provision (noting that the City and Board attorney's would need to get together) that if the developer is not able to develop the property in the amount of time needed then it would come back to the City to be disposed of more generally and to utilize potentially by the City. Discussion ensued. Chair Bradley asked for a second. Board Member Watahira seconded the motion.

Lefabe Burgees, General Council for APEC, 7000 Irolo Street, Los Angeles, CA. spoke stating APEC has been involved in this project for a couple of years now and would appreciate the support of the Board on the item.

Oliver Baines, Fresno City Council Member, 2600 Fresno Street, Fresno, CA. Councilman Baines stated APEC had been involved a long time, that the ideal is to bring continuity to projects so when someone has invested significant time, resources, and brings a financial package and needs parcels to make it work we try to be supportive and are hopeful that the Oversight Board will see it the same way.

Chair Bradley called for public comment and hearing none called for a roll call vote. The motion passed on a 4-3 vote with Board Members Bradley, Poochigian and Vagim voting no.

It was noted that any claw back provision would come back to the Oversight Board.

Chair Bradley noted that IV 18 had been eliminated with approval of IV 1 and then moved to Item IV 19 that is related to HSR.

19. Executive Director Murphey gave an overview of Item IV 19. a. b. and c.

Following discussion Board Member Westerlund made a motion to approve IV. 19. a., b., and c. Chair Bradley reminded the board that they already approved a. and b. and this is only back because the Board approved it prior to the DOF approving it. Board Member Watahira seconded the motion.

Chair Bradley called for public comment and hearing none called for a roll call vote. The motion passed on a 7-0 vote.

13. Executive Director Murphey reviewed the item. Board Member Westerlund made a motion to approve item IV. 13 to sell to the City of Fresno .61 acres of property at Fulton and Inyo noting the Guideline's provision for City's first right of refusal and added that this is like the Hotel Fresno where the greater project will come in with a much larger value and better to the taxing agencies than selling it as a lot.

Member Poochigian raised potential conflict of interest issue for Member Westerlund. Mr. Behren addressed the potential conflict of interest. Board Member Westerlund also addressed why he did not feel there was a conflict of interest.

Board Member Watahira seconded the motion.

Board Member Vagim referred to the offer letter from the City Manager and Mayor noting it was dated a couple of months ago well after the process that was adopted in the guidelines. Chair Bradley stated that is correct but that there was an RFP done and it started on April 3, 2014. More discussion ensued.

Chair Bradley called for public comments.

Terrance Frazier, 4266 N. College, Fresno, CA addressed the Board as developer for the project. He spoke about appraisal values and stated that the $320,000 offer from the City is a fair and good offer and that the whole project will be over $100,000,000 and expressed support for the item.

Bruce Rudd, City Manager, referenced discussion from the Board and the recommendation for a new appraisal and stated that given other property the City is interested in and conflicting information related to today's current value versus the value of property a year or so ago he was more than open to have another appraisal conducted. Chair Bradley invited further public comment and hearing none, Chair Bradley asked for a roll call vote. The motion passed on a vote of 5-2 with Board Members Poochigian and Vagim voting no.

Chair Bradley requested Executive Director Murphey discuss items IV. 4, 12, and IV. 14-17 keeping in mind that we dealt with items 1, 2, 3, and 13. Item 18 has been removed from the agenda.

Executive Director Murphey provided an overview of the above items noting they were unsolicited offers. Ms Murphey reviewed the Agency's appraised values and the offers received. She informed that a prospective buyer had a more recent appraisal performed in which the opinion of value had decreased when compared with the Agency's older appraisal. The prospective buyer and City have requested the Agency obtain more current appraisals.

Chairman Bradley explained that the reason he supported the prior items that came forward is that we did do a request for proposals and that it took so long because of delays by the DOF but in these cases here they were unsolicited offers and there's the appraisal issue and expressed his position that the properties go through the three methods of selection laid out some months ago.

Discussion ensued. Board Member Poochigian made the motion to direct staff to go through the remaining items and have staff make recommendations; an RFP, multiple listing, auction, etc and come back with what we are going to do with each one. Board Member Hodges seconded the motion. After additional discussion, Chair Bradley opened up comments to the public regarding the motion on the table.

Several members of the public commented without providing their names and made inquiry to which Chair Bradley responded by identifying the three disposition methods: open market solicitation, an RFP, and an auction and adding that those are the three ways that the Board identified to dispose of property. He explained that tremendous time was spent talking about that process whether or not that was before the guidelines were adopted or for sale signs up or not. Further, adding that RFPs were done and it took as

long as it took due to the Department of Finance (DOF) taking more than a year to sign off on these. He clarified that what was being talked about now was applying the disposition method to the 14 or 15 parcels where it hadn't been used.

Chair Bradley reminded the Board that the motion on the table is to table items 4-17 with the exception of item 13. Chair Bradley asked if anyone wanted to address the motion.

Clifford Tutelian, 1401 Fulton Street, Fresno, CA, identified himself as the developer who renovated the Old PG&E building. He gave background, explained that his building relies heavily on the parking lots and requested that the Board take his offer on Lot 2, Item 15 into consideration. He understood a higher offer had been made and expressed willingness to increase his offer.

Lawrence Clark, President and CEO identified himself as owner of three businesses that operate in downtown Fresno and explained that his company is moving from Dos Palos to Fresno with objective to move Downtown. He request that in its motion the Board leave room or concept of best value and put some emphasis on what's best or the greater good not just highest offer

Sandra representing 1101 Fulton, the Helm building, Fresno, CA is interested in the lot behind the Helm building, Item 12 and in response to question, Member Westerlund responded on process.

Renena Smith, Assistant City Manager for the City of Fresno clarified that City interest in the properties is because its part of an overall process to assemble properties in the downtown area which is in accordance with its whole economic development strategy.

Discussion ensued regarding development downtown and what market value is.

Darius Assemi, representing Granville Homes, stated Granville wants to pay fair market appraised value, he showed an illustration and further commented that if awarded this would be the kind of property seen coming out in about 12 months.

Chair Bradley asked for further public comment and seeing none stated that we will vote on the motion which is:

"Table items number 4-12 and items 14-17 and direct staff based on the guidelines that we have, to do an open solicitation, an RFP, or an auction on these parcels and any other remaining parcels that we have beyond the ones that are on our agenda today; to determine whether a new appraisal needs to be done or not and to bring the items back to us at five or six at a time hopefully as soon as we possible."

The motion approved by unanimous vote.

Chair Bradley announced that there are still two items left on the agenda to take action on, items 20 and 21.

Item 20. Discussion and direction regarding 1189 Martin Avenue, currently occupied by Fresno EOC. Mr. Behrens gave background and reviewed the written legal opinion provided. He reviewed EOC's lease of property for Head Start since 1992. Discussion ensued.

Bill Simon, Chief Operating Officer, Fresno EOC, and Tamela Holzbee, Director, of the Head Start Program spoke on this item. They have been in that location since 1978 and served over 4,500 students out of that facility. Their current budget is $955,000 per year and 3,500 students are served. They serve low and very low income children. They serve children that have learning disabilities, disabled children, children and with physical disabilities.

Board Member Westerlund made a motion to have staff come back with recommendations that was seconded by Member Watahira. The roll call was taken and the motion passed on a 7-0 vote.

Item 21. Status regarding remaining properties on the LRPMP. Previously addressed.

VI. Adjournment

Meeting adjourned at 5:27 p.m.

The minutes of February 25, 2016 were approved at the June 8, 2016 meeting on a motion by Board Member Poochigian and a second by Vice Chair, Vagim. The motion passed on a vote of 6-0 with Board Member Westerlund absent.