

RESOLUTION NO. 13-09

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA ADOPTING
MINUTES OF THE SPECIAL MEETING, JUNE 27, 2013

WHEREAS, the Oversight Board for the Successor Agency to the Community Improvement Commission of the City of Alameda organized itself pursuant to Chapter 4 (commencing with Section 34179) of Part 1.85 of Division 24 of the Health and Safety Code (the "Board"); and

WHEREAS, it is necessary for said Board to adopt minutes of public meetings;

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The approval of meeting minutes of the special meeting on June 27, 2013, of the Oversight Board for the Successor Agency to the Community Improvement Commission of the City of Alameda, attached hereto as Exhibit A and incorporated herein by this reference.

PASSED AND ADOPTED this 30th day of July, 2013, by the following vote:

AYES: Biggs, Ortiz, Potter, Russo

NOES: 0

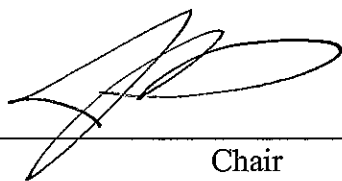
ABSENT: Chan, Gerhard, McMahon

ABSTAIN: 0

ATTEST:

Rosemary A. Valoska
Secretary of the Board

Rosemary A. Valoska


Chair
John A. Russo



MINUTES
(Draft until Approved)

City of Alameda
Successor Agency Oversight Board
Special Meeting
Thursday, June 27, 2013, 6:00 p.m.
City Hall, 2263 Santa Clara Avenue
Conference Room 360

1. CALL TO ORDER & ROLL CALL

Vice Chair Biggs called the meeting to order at 6:03 p.m., with the following Board Members present: Vice Chair Biggs; Members McMahon, Ortiz, and Potter. Board Members absent: Chan, Gerhard, and Russo. Board staff in attendance: General Counsel Labadie and Secretary Valeska. Also in attendance were Successor Agency Assistant General Counsel Stephanie Garrabrandt-Sierra and Successor Agency outside counsel Gerald Ramiza.

2. CONSENT AGENDA: Action

a. Resolution Adopting the Minutes of the April 9, 2013 Annual Meeting

The Resolution was continued to the next meeting, as there were only three affirmative votes (Member Ortiz abstained.)

3. UNFINISHED BUSINESS (none)

4. NEW BUSINESS

a. Update Regarding the Alameda Theater/Parking Garage Property and the Position of the Successor Agency with Regard to the March 2011 Transfer of the Property from the Former Alameda Community Improvement Commission to the City of Alameda: for information only

Mr. Ramiza made the presentation regarding the report in the agenda packet.

The audit conducted by the State Controller's Office (SCO) lasted one week. The theater and parking garage project was presented as an integrated project: the rents generated from the theater leases are needed to make payments on the HUD 108 loan for the garage. The SCO auditor seemed to agree that the parking garage is a public asset.

The HUD 108 loan is a liability associated with the overall project: if there is a clawback by the State, the State could not cherry pick the assets – the liability would have to go with it.

Mr. Ramiza stated that he was more concerned about the State Department of Finance (DOF). He would like a message sent to SCO and the DOF that the Successor Agency and City desire to work out an equitable solution.

Member Potter stated that if the State determines that the 2011 transfer was not permitted, then the State may order that the properties be transferred back to the

Successor Agency and then placed on the Long Range Property Management Plan (LRPMP).

Member McMahon asked why this should concern the Oversight Board. Counsel responded that the Oversight Board must approve the LRPMP. In response to a question from Member Ortiz, Oversight Board Counsel stated that the Oversight Board could pass a Resolution stating a policy position on this matter.

Member Potter stated that the SCO office will issue a draft report and the Successor Agency will have ten days to respond. The Oversight Board will be asked to consider a resolution before the SCO issues a final report. Counsel stated that the Oversight Board's resolution would be forwarded to the State. In response to a question by Member Ortiz, Counsel stated that it would be best to wait and see what is in the draft report before the Oversight Board adopts a resolution, but that timing concerns may preclude that option.

Member McMahon stated that he needed to see what compelling community interests are being met so a decision could be justified. Ms. Garra-brant-Sierra stated that parking is a negotiated employee benefit that needs to be respected. (The parking garage is used by City employees and, until recently, was also used by AUSD employees.)

Mr. Ramiza explained the Successor Agency's compelling arguments:

- The \$19 million number cited by DOF as the value of the theater is not accurate. This number reflects, among other costs, the cost of land acquisition, the detailed historic restoration and relocation of tenants.
- Theater lease revenues are needed to pay the HUD 108 loan for the parking structure and other operation and maintenance costs of the project.
- The theater is one of the most (if not the most) important historic building in the Park Street Historic District. The historic integrity of the building could be jeopardized if the property were to be transferred to a landlord other than the City.
- A lot of work went into the selection of Alameda Entertainment Associates and they run the theater in accordance with specific use and operating covenants in favor of City, including covenants relating to days/hours of operation, maintenance of the historic auditorium as a single screen auditorium, and quality of films (i.e. first-run movies).
- The theater is a community asset and the City has reserved rights to use the historic auditorium for community and civic uses.
- The theater plays a pivotal role in the revitalization of the Park Street business district. Ensuring the continued use and operation of the theatre in a manner consistent with use and operating covenants in favor of City as described above provides important benefits to the community and is essential to the ongoing success of the Park Street district.

Member Ortiz asked about the HUD 108 loan third-party obligation. Mr. Ramiza responded that the primary agreement for the HUD loan was with the City. The City entered into a sub-recipient agreement with the former Community Improvement Commission. If the State invalidates the sub-recipient agreement, the City would fight that, as the City would then be responsible for the \$7 million HUD loan.

Mr. Ramiza stated that the ideal outcome would be if the SCO agreed that the City could keep the asset and DOF accepts that result. The next best thing would be to achieve the same results through the LRPMP process working with the Oversight Board, with DOF approving the Oversight Board's recommendation.

Member McMahon asked how long the Oversight Board had to do its work. Mr. Ramiza responded that in 2016, all oversight boards will be folded into their respective county's oversight board.

Member Potter stated that the LRPMP must be submitted by November 2013. Mr. Ramiza stated that if the SCO recommends that the City can keep the assets, they don't have to be listed in the LRPMP.

This item was presented for information and discussion, only; no Oversight Board action was requested.

b. Determine the Date of the September Special Meeting: Action

The consensus of the Board was to schedule this meeting on Thursday, September 26. The agenda will include the presentation of the ROPS for January – June, 2014, and the Long Range Property Management Plan.

5. PUBLIC COMMENT (non-agenda items) (none)

6. WRITTEN COMMUNICATIONS

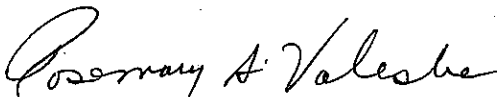
- a. Letter from Department of Finance Dated May 24, 2013, Request for a Finding of Completion

7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF

8. ADJOURNMENT

The meeting was unanimously adjourned at 6:50 p.m.

Respectfully submitted,



Rosemary A. Valeska
Secretary

Approved as submitted on July 30, 2013
Resolution No. 13-09