



# AGENDA

## MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

March 9, 2016  
4:30 P.M.

Council Chambers  
11710 Telegraph Road  
Santa Fe Springs, CA 90670

Gerald M. Caton, Chair  
Leighton Anderson, Vice Chair  
Mike Foley, Board Member  
Thaddeus McCormack, Board Member  
Cuong Nguyen, Board Member  
Harry Stone, Board Member  
Noorali Delawalla, Board Member

**Public Comment:** The public is encouraged to address the Oversight Board on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the Oversight Board, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk or a member of staff. The Oversight Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The Oversight Board will hear public comment on matters not listed on the agenda during the Oral Communications period.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The Oversight Board may direct staff to investigate and/or schedule certain matters for consideration at a future meeting.

**Americans with Disabilities Act:** In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

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1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PLEDGE OF ALLEGIANCE**

4. **CONSENT AGENDA**

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Oversight Board.

**Approval of Minutes**

A. Minutes of the January 27, 2016 Regular Oversight Board Meeting

**Recommendation:** That the Oversight Board approve the minutes as submitted.

**NEW BUSINESS**

5. Resolution No. OB-2016-004 – Authorizing the transfer of title of all properties designated as “Governmental Use” in the approved Long Range Property Management Plan, from the Successor Agency to the City of Santa Fe Springs.

**Recommendation:** That the Oversight Board: adopt Resolution No. OB-2016-001, Authorizing the transfer of the title of all properties designated as “Governmental Use” in the approved Long Range Property Management Plan, from the Successor Agency to the City of Santa Fe Springs.

6. **ORAL COMMUNICATIONS**

This is the time when comments may be made by interested persons on matters not on the agenda having to do with Oversight Board business.

7. **ADJOURNMENT**

*I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 24 hours prior to the meeting.*



Sylvia M. Bermudez, Clerk  
Santa Fe Springs - Oversight Board

March 3, 2016

Date

**MINUTES OF THE REGULAR MEETING OF THE  
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE  
COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT  
AGENCY OF THE CITY OF SANTA FE SPRINGS**

**January 27, 2016**

**1. CALL TO ORDER**

The meeting was called to order at 4:44 p.m. by Chair Caton.

**2. ROLL CALL**

Present: Board Members Cavallo, McCormack, Stone, Chair Caton, Deputy Clerk Moreno

Absent: Board Members Vice Chair Anderson, Delawalla, Foley

**3. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Chair Caton.

**4. CONSENT AGENDA**

**Approval of Minutes**

A. Minutes of the November 18, 2015 Regular Oversight Board Meeting

**Recommendation:** That the Oversight Board approve the minutes as submitted.

Board Member Stone moved the approval of Item 4A; Board Member Caton seconded the motion which passed by the following vote: In Favor – Cavallo, McCormack, Stone, Chair Caton; Opposed – none.

**NEW BUSINESS**

- 5. Resolution No. OB-2016-001 – Authorizing the transfer of title of all properties designated as “Governmental Use” in the approved Long Range Property Management Plan, from the Successor Agency to the City of Santa Fe Springs.**

**Recommendation:** That the Oversight Board: adopt Resolution No. OB-2016-001, Authorizing the transfer of the title of all properties designated as “Governmental Use” in the approved Long Range Property Management Plan, from the Successor Agency to the City of Santa Fe Springs.

Travis Hickey, Assistant Director of Finance, presented this item.

Board Member McCormack moved the approval of Item 5; Board Member Stone seconded the motion which passed by the following roll call vote: In Favor – Cavallo, Chair Caton; Opposed – none.



6. Resolution No. OB-2016-002 Approving the Successor Agency's Recognized Obligation Payment Schedule (ROPS 16-17) for the Period July 1, 2016 through June 30, 2017.

**Recommendation:** That the Oversight Board adopt Resolution No. OB-2016-002 Approving the Successor Agency's Recognized Obligation Payment Schedule (ROPS 16-17) for the Period July 1, 2016 through June 30, 2017.

Travis Hickey, Assistant Director of Finance, presented the ROPS item.

Board Member McCormack moved the approval of Item 6; Board Member Stone seconded the motion which passed by the following roll call vote: In Favor – Cavallo, Chair Caton; Opposed – none.

7. Resolution No. OB-2016-003 Approving the Successor Agency's Administrative Budget for the Period July 1, 2016 through June 30, 2017.

**Recommendation:** That the Oversight Board adopt Resolution No. OB-2016-003, Approving the Successor Agency's Administrative Budget for the Period July 1, 2016 through June 30, 2017.

Travis Hickey, Assistant Director of Finance, presented this item.

Board Member Stone moved the approval of Item 7; Board Member McCormack seconded the motion which passed by the following roll call vote: In Favor – Cavallo, Chair Caton; Opposed – none.

8. **ORAL COMMUNICATIONS**

Oral Communications were opened at 4:59 p.m. There being no one wishing to speak, Oral Communications were closed.

9. **ADJOURNMENT**

At 5:00 p.m., Chair Caton adjourned the meeting.

ATTEST:

\_\_\_\_\_  
Gerald M. Caton  
Oversight Board Chair

  
Priscilla Moreno, Deputy Clerk

\_\_\_\_\_  
Date

1/27/2016

**NEW BUSINESS****Oversight Board****March 9, 2016**

TO: Oversight Board Members

FROM: Successor Agency to the Santa Fe Springs CDC

ORIGINATED BY: Jose A. Gomez, Assistant City Manager

SUBJECT: Resolution No. OB-2016-004 Approving

**RECOMMENDED ACTION**

That the Oversight Board adopt Resolution No. OB-2016-004.

**BACKGROUND**

The subject Purchase and Sale Agreement (the "PSA") involves a site of approximately 369,824 square feet, located on the north side of Telegraph Road, east of Bloomfield Avenue (the "Property").

The Property, and another site located at the southeast corner of Telegraph and Bloomfield, are the two sites remaining from a large purchase of properties made by the former Community Development Commission in 1994. The purchase was made in conjunction with a joint venture agreement between the CDC and McGranahan, Carlson and Company ("MC&C"). That agreement (the "MC&C Agreement") has been amended and/or extended several times.

There are active wells and other oil field operations on the Property. It is not developable without the cooperation of BreitBurn Energy, which at present can prevent surface development. For that reason, several years ago the CDC, MC&C and BreitBurn entered into a "Settlement Agreement" which contains incentives for all parties to cooperate to facilitate the sale and development of the Property.

The Property has been designated as a "for sale" property in the Long Range Property Management Plan, which Plan has been approved by the State Department of Finance. The LRPMP contains a requirement that such properties be sold to maximize value. To comply with that requirement, the Successor Agency engaged a real estate broker, CBRE, to advertise the Property for sale, and to solicit bids from qualified developers. Mayor Moore and Council member Sarno served on an ad-hoc committee to work with staff to select one of the bidders to enter into the PSA. The bidder selected was Panattoni

Development Company, one of the largest industrial property developer/owners in the world. Panattoni recently developed the FedEx site in the City.

In the months since Panattoni was selected, staff and MC&C have worked with Panattoni on the specific language of the PSA. It is now available for consideration by the Oversight Board.

The MC&C Agreement, as amended and extended, provides a methodology for distribution of the proceeds upon sale of property. The attached Resolution contains an exhibit which sets forth a distribution allocation, consistent with such methodology. The "Settlement Agreement" provides that the CDC (the Successor Agency) pay an additional \$500,000 out of its share of the sale proceeds for the purchase of property typically referred to as the "Tank Farm", for conveyance of the Tank Farm Property to BreitBurn. (This is the incentive for BreitBurn to relax its surface rights control so that the properties can be sold and developed.) While the purchase and conveyance of the Tank Farm Property is not required until both of the MC&C properties are sold, the attached Resolution directs the Successor Agency to retain \$500,000 of its share of the proceeds from the sale of the Property to purchase the Tank Farm Property when both of the MC&C properties have been sold, because there is a concern that the oil field costs on the other MC&C property may be so great that the net sale price might not be sufficient to provide the Successor Agency with enough funds to purchase the Tank Farm Property.

Accordingly, staff recommends that the Oversight Board approve the attached Resolution.

### **FISCAL IMPACT**

Panattoni Development Company has agreed to purchase the property from the Successor Agency for a gross amount of \$8,228,760, which was established through a competitive, managed bid process. The adjusted purchase price, which takes into account third party payment obligations and the deduction of certain development costs, is estimated to be approximately \$2.6 million. The funds will be sent to the County Auditor Controller for redistribution to the various taxing agencies, which includes approximately \$182,000 to be distributed to the City of Santa Fe Springs.



Jose A. Gomez  
Assistant City Manager

#### Attachments:

Resolution No. OB-2016-004

Exhibit "D" Distribution of Net Sales Proceeds



**RESOLUTION NO. OB-2016-004**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS APPROVING A PURCHASE AND SALE AGREEMENT AND THE DISTRIBUTION OF SALE PROCEEDS.**

THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION/REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS HEREBY RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to Health & Safety Code, section 34181(a)(1), the Oversight Board hereby approves the Purchase and Sale Agreement attached hereto as Exhibit "A", and hereby directs that the Subject Property described therein be sold according to the terms and conditions set forth therein.

SECTION 2. Based on the obligations contained in Exhibits "B" and "C", attached hereto, upon the sale of the Subject Property the Successor Agency is further authorized and directed to distribute the proceeds as set forth in Exhibit "D", attached hereto, and to retain \$500,000 of its share of such proceeds to be used to purchase the Tank Farm Property upon the sale of all properties referenced in Exhibits B and C.

SECTION 3. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution, or any part hereof, is held invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Resolution. The Oversight Board hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 4. The Oversight Board's Secretary shall certify to the adoption of this Resolution.

SECTION 5. The Successor Agency's officials and staff are hereby authorized and directed to transmit this Resolution, execute all documents and take all other necessary and appropriate actions as required in order to effectuate its purposes.

**PASSED AND ADOPTED**, by the Oversight Board of the Successor Agency to the Community Development Commission/Redevelopment Agency of the City of Santa Fe Springs on this \_\_\_\_<sup>th</sup> day of March, 2016.

\_\_\_\_\_  
Gerald M. Caton, Chair

ATTEST:

\_\_\_\_\_  
Sylvia M. Bermudez  
Oversight Board Clerk



## **EXHIBIT D**

### DISTRIBUTION OF NET SALES PROCEEDS

(After payment of sales commission, escrow expenses, etc.)

\$918,550      (To Successor Agency, for CDC property acquisition expenses)

Balance to be distributed:

60% to Successor Agency

40% to McGranahan, Carlson & Company

Successor Agency to set aside \$500,000 of its share of proceeds to be used to purchase Tank Farm Property at appropriate time.