

MILPITAS OVERSIGHT BOARD

TO THE CITY OF MILPITAS ACTING AS THE RDA SUCCESSOR AGENCY

455 EAST CALAVERAS BOULEVARD, MILPITAS, CA 95035-5479
GENERAL INFORMATION: 408-586-3000 www.ci.milpitas.ca.gov

MILPITAS OVERSIGHT BOARD MEETING

Milpitas City Hall, Committee Room
455 E. Calaveras Blvd., Milpitas, CA

MEMBERS:

Maribel Medina, Chair
Michael Mendizabal
Armando Gomez
Emma Karlen
Bruce Knopf
Mike McInerney
Glen Williams

ALTERNATES:

Nimrat Johal
Felix Reliford
Jane Corpus Takahashi
Michael Murdter
Alan Minato

Minutes of the December 2, 2014, Special Meeting

I. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Chair Medina called the meeting to order at 3:00 pm.

ROLL CALL

MEMBERS PRESENT: Maribel Medina, Emma Karlen, Bruce Knopf,
Mike McInerney, Mike Mendizabal, Felix Reliford and Glen Williams

MEMBERS ABSENT: None

II. PUBLIC FORUM None

III. APPROVAL OF AGENDA

Moved by Mr. McInerney and seconded by Mr. Knopf, to approve the agenda. The motion passed unanimously.

IV. APPROVAL OF MINUTES FOR November 3, 2014 meeting.

Mr. McInerney pointed out that Line 1 of the draft minutes should be revised to read "...to approve the *minutes*," instead of "...to approve the *agenda*."

Moved by Mr. McInerney and seconded by Mr. Knopf, to approve the minutes as amended. The motion passed unanimously.

V. OLD BUSINESS

A. Review and Approve Long Range Property Management Plan

Ms. Gore presented the staff report recommending that the Board revise the proposed Long Range Property Management Plan (LRPMP) for submission to the Department of Finance prior to the statutory deadline. Ms. Gore noted that her staff report was incorrect, as it indicated that the City and County had jointly recommended that the Cracolice Building be retained for government use. Ms. Gore clarified that she had misunderstood the proposed draft LRPMP, and that there was not intended to be a joint recommendation regarding the future use of that property.

Mr. Glen Williams presented a series of proposed modifications to the LRPMP to clarify the process and timeline for disposing of the properties. His recommendation was that the properties be sold using RFPs to maximize value.

Mr. Tom Williams, the City Manager, ask that the record reflect that he has been involved property sales through RFP and through a broker and that it is his feeling that the RFP process devalues the land, while hiring a broker allows for the solicitation of competitive bids. It is his feeling that experts are needed and that everyone agrees that the highest and best value is the goal.

Mr. Tom Williams also asked that the record reflect that the City has not agreed to sell the vacant parcel at 230 N. Main Street, but that the City has been forced by the dissolution process and the Oversight Board to sell the land.

After a lengthy discussion on each property the votes were as follows:

Property #1 - 86 N. Main St. (Vacant Land): Moved by Mr. Knopf, seconded by Mr. McNerney to approve and accept Mr. Williams suggested amendments to the LRPMP. The motion passed with the following vote: **AYES:** Medina, McNerney, Mendizabal, Knopf, and Williams **NOES:** Karlen and Reliford

Property #2 – Alder Drive and Barber Lane (Vacant Land):

Moved by Mr. Knopf and seconded by Mr. McNerney to approve and accept Mr. Williams suggested amendments to the LRPMP. The motion passed with the following vote: **AYES:** Medina, McNerney, Mendizabal, Knopf, and Williams **NOES:** Karlen and Reliford

Property #3 – 230 N. Main St. (Vacant Land): Moved by Mr. Knopf, seconded by Mr. McNerney to approve and accept Mr. Williams suggested amendments to the LRPMP. The motion passed unanimously.

Property #4 – 93 N. Main St. (County Health Center Parking Garage): Moved by Mr. Williams, seconded by Mr. McNerney to approve and accept Mr. Williams suggested amendments to the LRPMP, thereby directing that the Parking Garage be transferred to the County, rather than the City as proposed. The motion passed with the following vote: **AYES:** Medina, McNerney, Knopf & Williams **NOES:** Karlen, Mendizabal, and Reliford. Mr. McNerney requested a legal opinion, prior to the disposition of the property, regarding whether the ground lease between the City and County related to this property would qualify as an agreement under section 34181(a), such that the transfer of the property to the County would be subject to the terms of that lease.

Property #5 – 540 S Abel St. (Cracolice Building): Moved by Mr. Williams and seconded by Mr. McNerney to approve and accept Mr. Williams suggested amendments to the LRPMP, directing the Successor Agency to sell the Cracolice Building. The motion passed with the following vote: **AYES:** Medina, McNerney, Mendizabal, Knopf, and Williams **NOES:** Karlen and Reliford

After additional discussion, it was moved by Mr. Knopf and seconded by Mr. McNerney to adopt the resolution approving the Long Range Property Management Plan, as amended. The motion passed unanimously.

B. Make Determinations and Approve the Issuance of Refunding bonds for 2003 Tax Allocation Bonds

Ms. Karlen presented the staff report recommending approval of the Successor Agency staff's request that the Oversight Board make the necessary findings to approve the issuance of refunding bonds to take advantage of lower interest rates.

It was moved by Mr. Knopf and seconded by Mr. McInerney to approve the issuance of refunding bonds. The motion passed unanimously.

Mr. Glen Williams expressed his appreciation and the Board's appreciation, along with his personal thanks to Ms. Karlen for her hard work on this item as she has aggressively pushed to get this done in order to capture the lower interest rates and for the wonderful benefit it gives to the taxing entities.

VI. NEW BUSINESS

A. Approve Procurement Process and Authorize the Oversight Board Chair or a Subcommittee to Negotiate a Contract with New Oversight Board Counsel.

Ms. Gore presented the staff report recommending piggy-backing off the San Jose Oversight Board's recently completed Request for Qualifications (RFQ) process for selecting new Oversight Board counsel and authorize the Oversight Board Chair to negotiate a contract with new legal counsel for the Oversight Board.

After a brief discussion, it was moved by Mr. Williams and seconded by Mr. Knopf to delegate authority to Chair Medina to negotiate and execute a contract with new legal counsel. The motion passed unanimously.

B. Receive Update on Appraisal Process and Take Any Action Required to Complete Appraisal Process.

Mr. Glen Williams presented the staff report. Ms. Karlen objected to certain language in the appraisal instructions, and requested that it be removed. Mr. Glen Williams explained that his proposed language, requiring the properties to be appraised "based upon highest and best use, irrespective of current zoning, general plan designation, current use, or any other limitation over which the City of Milpitas has discretion," does not affect the police powers of the City, adding that MOB is not changing any zoning, asking the City to change zoning or process general plan amendments. Mr. Glen Williams explained that this was just information to have available to the Oversight Board.

Mr. Knopf moved to resolve that the Oversight Board approve the draft contract with Valbridge for appraisal services, without modification. Mr. McInerney seconded the motion. Mr. Tom Williams suggested that the Oversight Board enter into the contract for appraisal services itself, as Successor Agency staff did not agree with the appraisal instructions. Mr. Knopf declined to change his motion, citing concerns with whether the Successor Agency would pay Valbridge for its services in light of prior delays in payments to Oversight Board contractors, such as legal counsel.

Mr. Tom Williams requested that the record reflect that the Successor Agency is prepared to pay Oversight Board's legal counsels invoices once the information agreed to at the last meeting is received.

The resolution was approved by the following vote: **AYES:** Medina, McInerney, Mendizabal, Knopf and Williams **NOES:** Karlen and Reliford

VII. SET NEXT MEETING DATE

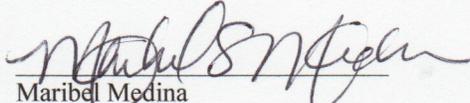
It was agreed that the next meeting will be held Tuesday, February 10, 2015, at 4:00 p.m.

VIII. MEETING ADJOURNMENT

Chair Medina adjourned the meeting at 5:31 p.m.

*Meeting minutes drafted and submitted by
Barbara Crump, Board Secretary*

Approved on February 10, 2015:


Maribel Medina
Oversight Board Chair


Barbara Crump
Oversight Board Secretary