

# MILPITAS OVERSIGHT BOARD

## TO THE CITY OF MILPITAS ACTING AS THE RDA SUCCESSOR AGENCY

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455 EAST CALAVERAS BOULEVARD, MILPITAS, CA 95035-5479  
GENERAL INFORMATION: 408-586-3000 [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov)

### MILPITAS OVERSIGHT BOARD MEETING

Milpitas City Hall, Committee Room  
455 E. Calaveras Blvd., Milpitas, CA 95035

#### MEMBERS:

*Emma Karlen*  
*Bruce Knopf, Vice Chair*  
*Mike McInerney, Chair*  
*Michael Mendizabal*  
*Althea Polanski*  
*Matthew Tinsley*  
*Glen Williams*

#### ALTERNATES:

*Jane Corpus Takahashi*  
*Alan Minato*  
  
*Jenina Salcedo*  
*Michael Murdter*

### Minutes of the December 9, 2015 Meeting

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

Chair McInerney called the meeting to order at 2:04 p.m.

#### **ROLL CALL**

**MEMBERS PRESENT:** Emma Karlen, Bruce Knopf, Mike McInerney, Althea Polanski, Matthew Tinsley and Glen Williams

**MEMBERS ABSENT:** Mike Mendizabal

#### **II. PUBLIC FORUM**

Mr. Rob Means addressed the Board on the relationship between global climate change and national security.

#### **III. APPROVAL OF AGENDA**

Moved by Mr. Williams and seconded by Mr. Tinsley to approve the agenda. The motion passed unanimously.

#### **IV. APPROVAL OF MINUTES FOR October 23, 2015 Meeting**

Board Member Knopf asked that the minutes reflect his absence at the October 23, 2015 meeting.

Moved by Mr. Williams and seconded by Ms. Polanski to approve the minutes of the October 23, 2015 meeting as amended. The motion passed with the following vote: **AYES:** Karlen, McInerney, Polanski and Williams **NOES:** None **ABSTAIN:** Knopf and Tinsley **ABSENT:** Mendizabal

## V. OLD BUSINESS

None

## VI. NEW BUSINESS

- A. Receive and consider report and recommendations from the Ad Hoc Committee of the Oversight Board Regarding Results of Request for Proposals (RFP) Process for the Sale of Property No. 5 Listed on the Long Range Property Management Plan and Located at 540 S. Abel Street, Milpitas, California (APN 086-10-025).
  1. Adoption of Resolution No. 71 of the Oversight Board Approving the Sale of Property Located at 540 S. Abel Street, Milpitas California (APN 086-10-025) to Rajyoga Meditation & Research Center, a Non Profit Corporation, Pursuant to the Long Range Property Management Plan and a Request for Proposals (RFP) Process.

Ms. Montoy presented the staff report on behalf of the Ad Hoc Committee regarding the results of the RFP process of Property No. 5 recommending sale to the proposer with the highest offer which met all requirements of the RFP. She described telephone calls with the Ad Hoc Committee which also included Mr. Tom Williams in one call. She noted that the Board had received a letter from the County of Santa Clara stating that the County concurs with the proposed recommendation. She noted that while the resolution included a timeframe for the Seller's execution, it did not include one for the Buyer's execution and, therefore, recommended that text be added that Buyer execute the Purchase Sale Agreement within ten days of adoption of the resolution. She also explained that representatives of the Buyer had contacted her regarding three requests relating to the Purchase Sale Agreement: 1) Increase the Due Diligence Period from thirty to sixty days; 2) Change/delete the "as is" language; and 3) Escrow costs not be paid by Buyer.

Under public comments, Ms. Ratu Patel, Secretary and Attorney for Rajyoga Meditation and Research Center, requested that the Board do the following: 1) Hold off on the "as-is" provision until proper inspections have been completed to ensure the building is in compliance with Code; 2) Adjust the purchase price so that the cost to the buyer does not exceed \$4 million including closing and escrow costs, and 3) Increase the due diligence period from thirty days to sixty days.

Mr. Atma Dayal, Board Member of the Rajyoga Meditation and Research Center, indicated that resolving the issue of allowing a residence for a caretaker on the property was one reason for requesting an increase in the due diligence period.

Board Member Williams asked if there is an estimate of closing costs. Ms. Montoy said she had no estimate but that the definition in the Purchase and Sale Agreement (PSA) is narrowly crafted so it only includes customary escrow fees and closing costs and excludes costs, such as inspections.

Board Member Williams asked the representatives of the Rajyoga Meditation and Research Center if they had an estimate on the closing costs. Ms. Patel said that closing costs would be in the range of \$10,000 to \$20,000.

Board Member Knopf asked what due diligence period the buyer is requesting. Mr. Dayal said they are requesting 90 days.

Board Member Williams stated that one of the reasons for the "as-is" provision in the PSA is that the Successor Agency is unable to absorb any ongoing liability of any kind since it will dissolve at some point. The standard "as-is" language is a requirement because there is no indemnification.

Board Member Polanski said that she does not want to sell the property and she appreciates the offer, but will be voting no adding that it does not have anything to do with Rajyoga Meditation and Research Center. Ms. Polanski said she wishes the property could have been kept for governmental use and kept as the City's property.

Moved by Mr. Knopf and seconded by Mr. Williams that Resolution No. 71 be approved with the "as-is" provision remaining the same as currently in the agreement and with the following amendments to the Resolution and PSA, as appropriate: 1) Buyer execute the agreement within 10 days of Board approval; 2) Both Seller and Buyer customary escrow fees and closing costs be handled from the proceeds of sale, and 3) Due diligence period amended to be a total of 90 days from the effective date. The motion passed by the following vote. **AYES:** Karlen, Knopf, McInerney, Tinsley and Williams **NOES:** Polanski **ABSTAIN:** None **ABSENT:** Mendizabal

B. Successor Agency's Presentation Regarding Need to Increase the Administrative Budget (Discussion Only).

Board Member Karlen presented a brief summary of reasons for the need to increase the Administrative Budget for Successor Agency attorney costs during the period January 1, 2016 through June 30, 2016 by an additional \$20,000.

Board Member Knopf requested that when this item comes back that there is information on the work the Successor Agency attorney performs.

Board Member Polanski commented that the Administrative Budget has been reduced significantly and that the Successor Agency is anticipating increased attorney work on the sales of the Agency's remaining properties.

**VII. NEXT MEETING**

A. Identify Potential Agenda Items

1. Proposal to amend ROPS for the period January 1, 2016 through June 30, 2016.
2. Consider responses to 230 N. Main St. RFP that are due December 21, 2015.
3. Annual ROPS for the period July 1, 2016 to June 30, 2017.

B. Set Date and Time

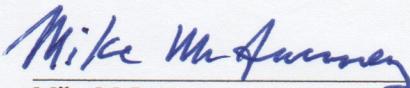
It was agreed that the next meeting will be held on January 25, 2016 at 1:00 p.m.

**VIII. MEETING ADJOURNMENT**

Moved by Mr. Williams and seconded by Mr. Knopf, Chair McInerney adjourned the meeting at 3:25 p.m. on the consensus of the Board.

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

*Approved on January 25, 2016.*



Mike McInerney  
Oversight Board Chair



Barbara Crump  
Oversight Board Secretary