

Minutes of the Special Annual Meeting of the Oversight Board to the Successor
Agency to the Oakley Redevelopment Agency held May 2, 2017
at 6:00 p.m. in the
Oakley City Council Chambers
3231 Main Street, Oakley, California

1.0 OPENING MATTERS

**1.1 Call to Order and Roll Call of the Oversight Board to the Successor
Agency to the Oakley Redevelopment Agency**

Chair Bill Swenson called the meeting to order at 6:00 p.m. in the City Council Chambers located at 3231 Main Street in Oakley.

John Amie, Sue Higgins, Robert Kratochvil, Joshua McMurray, Bill Swenson and Eric Volta were present.

Meghan Bell was absent. Executive Director Bryan Montgomery shared that Boardmember Bell is the East Contra Costa Fire District Board's appointee to the Oversight Board and she resigned from the Fire District Board last week. He mentioned a vacancy will exist until the Fire District Board appoints a new Boardmember.

1.2 Pledge of Allegiance

Chair Swenson led the Pledge of Allegiance.

2.0 PUBLIC COMMENTS

None.

3.0 CONSENT CALENDAR

3.1 Approve the Minutes of the January 26, 2017 Oversight Board Meeting (Libby Vreonis, Secretary)

It was moved by Boardmember Kratochvil and seconded by Boardmember Amie to approve the minutes. The motion was unanimous and so ordered. (6-0)

4.0 PUBLIC HEARINGS - None

5.0 REGULAR CALENDAR

Oakley City Council

5.1 Adopt a Resolution Amending the Bylaws & Rules of Procedure of the Oversight Board to the Successor Agency to the Oakley Redevelopment Agency (Bryan Montgomery, Executive Director)

Executive Director Bryan Montgomery presented the staff report.

Boardmember Kratochvil requested clarification regarding Section 3(b).

Mr. Montgomery explained that if the agency that appointed a Boardmember approves an alternate with voting rights, that alternate, along with the Boardmember, would have voting rights at Oakley Oversight Board meetings. He mentioned it would be optional for each Boardmember to request an alternate with voting rights from his or her appointing agency.

Boardmember Kratochvil commented with regard to absences, it was discussed at the previous meeting that a voting alternate would be able to fill in for the Boardmember.

Chair Swenson inquired if a name should be inserted in Section 2(c).

Mr. Montgomery responded that it is written as "Finance Director" rather than a specific name; however, the Board can direct staff to include the name of current Finance Director, Deborah Sultan, if preferred.

It was moved by Vice-Chair Higgins and seconded by Boardmember Amie to adopt the resolution amending the Bylaws & Rules of Procedure. The motion was unanimous and so ordered. (6-0)

5.2 Annual Selection of Oversight Board Chair and Vice Chair (Bryan Montgomery, Executive Director)

Executive Director Bryan Montgomery presented the staff report.

It was moved by Boardmember Kratochvil and seconded by Boardmember Amie to adopt a resolution appointing Bill Swenson as Chair and Sue Higgins as Vice-Chair. The motion was unanimous and so ordered. (6-0)

5.3 Adopt a Resolution Approving an Option Agreement with Roy and Erica Pantle for Agency Property Located at 3980 Empire Avenue (APN 034-010-033) (Bryan Montgomery, Executive Director)

Executive Director Bryan Montgomery presented the staff report. He mentioned the Pantle's received an offer of \$18 per square foot for their property and the Agency's adjacent property, but rejected it and the potential purchaser would not purchase the Agency's property without the Pantle's property. He commented that the proposed Option Agreement does not provide who the buyer will be or the price, but it does establish a percentage split between the Pantle's and the Agency; if executed, the Pantle's can show potential purchasers that they have control of the Agency parcel.

Vice-Mayor Higgins inquired of the square footage of the Agency's property.

Mr. Montgomery responded the property is close to 17,000 square feet, but the shape and location of the property is somewhat of an issue; therefore, successful development of the property would be difficult and the Pantle parcel would be difficult to develop without access to Laurel Road.

Chair Swenson inquired if the City receives 75% of the amount the Pantle's receive for the property.

Mr. Montgomery explained that the City would not directly receive the revenue from the sale of the property; the revenue would go to the Successor Agency to fulfill enforceable obligations of the Agency.

Boardmember Amie added that 25% of revenue from the sale of the property would go to the Pantle's and 75% would go to the Successor Agency.

Boardmember Volta inquired if the Successor Agency would receive approximately \$230k for something it wanted to sell for \$500k.

Mr. Montgomery responded that it could be that amount, but possibly less.

Boardmember Kratochvil commented that the Pantle's are tied to their price and would want it as high as possible for their benefit which would also benefit the Successor Agency. He inquired if the Pantle's can purchase the Successor Agency's portion of property.

Mr. Montgomery indicated that was not the intent when drafting the Option Agreement and that option has not been presented to the Pantle's.

Boardmember Kratochvil inquired what can be built on the property.

Boardmember McMurray responded that the property is zoned single-family residential; therefore, a General Plan Amendment would have to be approved to change the zoning to commercial.

Boardmember Kratochvil inquired if apartments could be built on the property. Mr. Montgomery responded that it is a commercial corner, but the purchaser could request to have it zoned for multi-family housing use.

Boardmember Amie inquired if the Oversight Board would be required to approve any changes in the percentages provided in the Option Agreement.

Mr. Montgomery explained if the Pantle's do not agree to the percentages, there is no deal. He shared that staff initially thought the property was of little value; however, after the Arco offer was received, it was clear it has more value than \$5k.

Boardmember Volta commented a resolution was passed by the Liberty Union High School District Board to receive proceeds from the sale of Successor Agency properties. He inquired when the proceeds will be received.

Mr. Montgomery explained when the proceeds are received by the Successor Agency, it will be dispersed to the taxing entities.

Boardmember Volta indicated that he does not believe the proceeds from the sale of Black Bear Diner have been received by the School District.

Finance Director Deborah Sultan responded that funds were provided to the County upon receipt and the City received its portion in December or January. She indicated she will follow up with the County regarding the status of the distribution to the School District.

It was moved by Boardmember Kratochvil and seconded by Vice-Chair Higgins to adopt a resolution approving the Option Agreement. The motion was unanimous and so ordered. (6-0)

6.0 WORK SESSION - None

7.0 REPORTS/COMMENTS

7.1 EXECUTIVE DIRECTOR

(a) Update on proposed projects in the Downtown

Executive Director Bryan Montgomery shared that much of the former Redevelopment Agency funds were focused on Oakley's Downtown and staff has been able to use development impact fees along with Federal funds to complete the next phase of Main Street. He mentioned parking, sidewalks and

medians will be provided along Main Street. He also mentioned a City parcel located east of the Guanatos building is available for purchase and the City has a couple of interested purchasers. He explained the hope is that public investment will spur private investment.

(b) Update on Master Compensation Agreement with the Taxing Entities

Executive Director Bryan Montgomery mentioned the Long-Range Property Management Plan provides that property retained by the City for future right-of-way often has remnant and the master contracts provide that when the properties are sold, the City must remit the net proceeds to the taxing entities. He indicated the County prefers to draft its own wording for contracts; therefore, the Oversight Board may have to address the contracts again if the County proposes something different. He mentioned the City cannot profit from the revenue of properties sold even though it has control.

Mr. and Mrs. Pantle arrived to the meeting.

Chair Swenson mentioned the resolution adopting the Option Agreement as presented had been approved by the Oversight Board. He asked Mr. and Mrs. Pantle if they would like to provide any comments.

Mr. Pantle commented that he was not familiar with the language of the resolution, but in September he and his wife attended a meeting and it was his understanding the Board approved the purchase price for the Successor Agency's portion of the property at \$5k and now several months later that has changed.

Mr. Montgomery explained that the Board did not take action; the property was discussed in closed session and the Board provided direction to staff to proceed with the sale. He further explained that the Successor Agency has a fiduciary responsibility to obtain the best value for the property and while the property was once thought to be of minimal value, after the Arco offer was submitted, it was clear to staff that the property is of greater value. He added that the Oversight Board has adopted the resolution as presented, but if the Pantle's do not agree to the terms and do not sign it, there is no deal.

Mr. Pantle mentioned they do not agree with it, but will take it to their representatives for review.

7.2 MEMBERS OF THE BOARD

The Board had no reports.

8.0 CLOSED SESSION - None

9.0 ADJOURNMENT

There being no further business, the meeting was adjourned at 6:33 p.m.

Respectfully Submitted,

Libby Vreonis
Secretary