

MINUTES

**REGULAR MEETING OF THE
ORANGE COUNTYWIDE OVERSIGHT BOARD**

April 21, 2020, 8:30 a.m. via TELECONFERENCE

1. CALL TO ORDER

A regular meeting of the Orange Countywide Oversight Board was called to order at 8:31 a.m. on April 21, 2020 via teleconference at a publicly available conference room at the Orange County Auditor-Controller office, 1770 N. Broadway, Santa Ana, California by Chairman Brian Probolsky, presiding officer. He noted the unusual circumstances brought about by COVID-19 and announced that the Board is adhering to the Governor’s Executive Order N-25-20 in conducting today’s meeting.

Present:	6	Chairman:	Brian Probolsky
		Vice Chairman:	Steve Jones
		Board Member:	Chris Gaarder
		Board Member:	Dean West
		Board Member:	Steve Franks
		Board Member:	Phil Yarbrough

Absent:	1	Board Member:	Charles Barfield
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Also present were Kathy Tavoularis, Staff and Clerk of the Board; Patrick Bobko, Legal Counsel; Clare Venegas, Consultant; and Zeshaan Younus, Consultant.

Kathy Tavoularis conducted roll call and noted Board Member Charles Barfield’s excused absence.

2. PLEDGE OF ALLEGIANCE

Chairman Probolsky excused the Pledge of Allegiance due to meeting being a teleconference call.

3. APPROVAL OF MINUTES FROM JANUARY 28, 2020

On the motion of Board Member Yarbrough, seconded by Board Member West, the minutes from the January 28, 2020 Board Meeting were approved with Board Member Franks abstaining.

4. ADOPT RESOLUTION AMENDMENT TO BOARD POLICIES AND PROCEDURES

Chairman Probolsky noted the item is an amendment to the Board's Policies and Procedures. Board Member Jones moved approval, seconded by Board Member Yarbrough. The motion was approved unanimously.

Chairman Probolsky asked to move item #5 to end and take #6 and #7 first.

5. ADOPT RESOLUTIONS REGARDING REQUEST BY SUCCESSOR AGENCY TO TRANSFER PARCEL APC 386-463-12 TO THE CITY

- a. Orange** – Board Member Yarbrough asked for a point of clarification as to whether the item being discussed is the parcel outside of the train station and the driveway. Probolsky noted that Will Kolbow, Orange Assistant City Manager is on the phone and available to answer questions. Board Member Franks asked about the percentage of the parcel that is required to be a parking lot, and noted that he believes the market is not strong. He also stated that the Board should be realistic about the future developable value and asked whether there are other zoning restrictions. Kolbow responded that there is a long-term parking requirement and that the driveway for the parcel cannot be moved due to a 'quiet zone' easement. Additionally, he said, there is a utility easement due to the Southern California Edison pole.

Board Member Yarbrough noted the zoning is for 'Old Town Mixed Use.' Board Member Franks noted the height restriction due to the Edison pole easement, and that it is a small parcel with little developable use. Board Member Franks suggested discussing the item in closed session, if needed.

Vice Chairman Steve Jones said the issue seems straightforward and the transfer has already been approved by the state Department of Finance. He noted it is also encumbered by ground lease and there is a lot of restrictions. Vice Chairman Jones said he did not see a need for a closed session. Vice Chairman Jones made a motion to approve the item, seconded by Board Member Franks.

Board Member Yarbrough stated he needs more information as to how this parcel was acquired and with what money, and that he is not prepared to vote to transfer this property.

Board Member West asked whether the city claims there is an easement from the train distance because it is a crossing area. Mr. Kolbow confirmed that is correct, noting the tracks are in a quiet zone which are subject to federal requirements for the distance of the driveway from the tracks. Board Member West noted the inability to move the driveway impacts the ability to make the land useable.

Board Member Yarbrough asked what was existing on this parcel before and what was paid in the way of cash to the city. Mr. Kolbow said he believed it was an abandoned

business that had been vacated in 1960s, and that the Redevelopment Agency purchased it for an unknown amount in the 1980s. He said there was a subsequent partnership with OCTA to build the parking lot on the east and west end of the track, and part of the requirement was that the city had to own the land. He said the initial payment was \$1 Million+ made in 2011 for the parking lot.

Board Counsel Bobko suggested asking Mr. Kolbow additional questions now, and discussing other possible questions in closed session, if the Board chooses to go into one.

Board Member Yarbrough noted the frontage on Chapman Avenue and inquired about the value of the property. Mr. Kolbow noted the parcel in question is diminished in value due to ground lease and the adjacent use.

Board Member West asked whether the city would require a business owner to get a variance for parking requirement and whether the required parking would be required to cut into the property. Board Member Yarbrough asked whether a house could be built on the property, but Mr. Kolbow noted there would be a lot of caveats including the ground lease. Board Member Gardaar asked whether changes to the lease would require OCTA approval. Mr. Kolbow said no, since the lease is with the city.

Chairman Probolsky noted Board Member Franks suggestion to discuss further in closed session, but that there is a motion and second on the table to approve the item. He called a roll call vote on the motion to approve.

Board Clerk Tavoularis noted the following votes:

YES – Probolsky, Jones, Franks, West, Gaarder

NO – Yarbrough

The motion was approved 5-1.

6. ADOPT RESOLUTION REGARDING REQUEST BY SUCCESSOR AGENCY FOR AUTHORIZATION TO ISSUE REFUNDING BONDS

- a. **Stanton** – Motion to approve made by Board Member Franks, seconded by Board Member Gardaar seconded. The motion was unanimously approved.

7. ADOPT RESOLUTION REGARDING REQUEST APPROVING OF ASSIGNMENT AND ASSUMPTION OF PARKING STRUCTURE AGREEMENTS

- a. **San Juan Capistrano** - Board Member West had questions, and Chairman Probolsky invited the city representative to address the item. Ken Al-Imam, Chief Financial Officer for San Juan Capistrano, provided the background for the item. Mr. Al-Imam said in 1999, a private developer entered into an agreement with the City of San Juan Capistrano to provide public parking in the city's downtown business district. Due to an administrative error, the agreement should have named the city as the responsible party for maintenance and operations, but instead named the Redevelopment Agency.

The city has performed all of the management functions and received all related parking revenues, which barely covered expenses. This request is to allow the city to assume the parking structure agreements so that the Successor Agency will be dissolved on its scheduled end date of 2036. If they are not assigned then, then the Successor Agency would not be dissolved until 2049, the end of the parking agreement.

Board Member West asked whether the Successor Agency agreement has an end date of 2038, since the lease is not listed on the ROPS. Mr. Al-Imam noted the error was just recently discovered and it was not on the city's radar when it prepared the ROPS. Mr. Al-Imam confirmed that if the request is not approved, the obligation would be listed on the ROPS. He also said there is a benefit in the reduction of administrative expenses during the continuance of the agreement for the city and the taxing entities.

Board Member West noted that the Orange County Department of Education and Capistrano Unified are the major taxing entities that would be the primary beneficiaries, and not mentioning that it was not put on the ROPS appears as if the city was bypassing the process. He is also concerned with the interpretation of 'public facilities' and that it is a mischaracterization of how the cities have entered into parking agreements.

Mr. Al-Imam noted the city has been advised by their legal counsel that the Redevelopment Agency should not have been named at the outset. Board Member West asked whether Board Counsel Bobko could look at San Juan Capistrano's legal research and provide an opinion. He requested getting a memo first before making a motion.

Mr. Al-Imam suggested approving the resolution conditionally based on outcome of the Board Counsel's memo.

Board Member Yarbrough made a motion to discuss the item at its July 21, 2020 meeting. Board Member West seconded. The motion was unanimously approved.

COMMENTS AND ADJOURNMENT:

PUBLIC COMMENTS:

Board Clerk Tavoularis reported there are no public comment requests.

STAFF COMMENTS:

- Form 700's are due June 1 (continued from April 1 due to COVID-19) – Staff Member Tavoularis reported. Board Member Franks asked the Clerk to provide to the Board who

has, and has not, filed their Form 700 form this year.

- Staff Member Tavoularis also noted Chris Nguyen's recent departure from the Auditor-Controller's office for a new job opportunity and thanked him for his exemplary service in helping to inaugurate this Board.

CLOSED SESSION:

Chairman Probolsky noted no closed session was needed.

ADJOURNMENT

Chairman Probolsky noted the next regular meeting of the Countywide Oversight Board is scheduled for July 21, 2020 and adjourned the meeting at 9:14 a.m.

BRIAN PROBOLSKY
CHAIRMAN OF THE COUNTYWIDE OVERSIGHT BOARD

KATHY TAVOULARIS
CLERK OF THE BOARD

DATE