

**CITY OF SANTA FE SPRINGS
MINUTES FOR THE 5:30 PM SPECIAL MEETING
OF THE CITY COUNCIL AND
COMMUNITY DEVELOPMENT COMMISSION**

MARCH 10, 2011

1. CALL TO ORDER

Mayor Serrano called the Special Meeting of the City Council and CDC to order at 6:40 p.m.

2. ROLL CALL

Present: Councilmembers/Commissioners González, Moore, Trujillo, Mayor Pro Tem/Vice Chair Rounds, and Mayor/Chair Serrano

Also present: Thaddeus McCormack, City Manager; Anita Jimenez, Deputy City Clerk; Steve Skolnik, City Attorney; Paul Ashworth, Director of Planning & Community Development; Don Jensen, Director of Public Works; Dino Torres, Director of Police Services; Maricela Balderas, Director of Family & Human Services; Jose Gomez, Director of Finance & Administrative Services; Alex Rodriguez, Fire Chief

3. NEW BUSINESS

Consideration of Property and Assets Transfer Between the Santa Fe Springs
Community Development Commission and City of Santa Fe Springs

The City Manager stated that imminent action by the State Legislature in response to the Governor's proposal to eliminate Redevelopment Agencies, the details of which had only become available within the last few days, necessitates that the City Council and CDC consider certain actions to secure assets of the CDC that are intended to ultimately benefit the City's General fund, but which are vulnerable to be taken by the State or liquidated in the event that Redevelopment Agencies are disbanded. Other cities have taken a variety of similar actions, ranging from cautious in nature to aggressive. Staff is recommending a prudent course of action to secure current assets as a means of securitizing the contractually bound debt that the CDC owes the City, in so much as the funds identified for repayment of those debts could be taken by the State. There are two recommended courses of action, the first involving real estate. The CDC owns five properties, identified in this report as being vulnerable vis-à-vis the elimination of redevelopment. These are sites that are not currently contractually obligated for development, but for which the CDC intends to develop in the future. The bill that would eliminate redevelopment, if passed, would require the City to sell the land and disperse the assets to a variety of "taxing entities". The City would get only a small portion of the proceeds. If instead the City already owns the properties at the time that the bill is passed, the City will still likely have to sell the properties, but would be able to retain a greater percentage of the sale proceeds. If the bill is adopted, the CDC won't have the resources pay its obligations to the City which pertain to the agreements entered into last month. The recommended actions are intended to securitize those CDC obligations.

Paul Ashworth stated that the CDC actually owns 12 properties, but seven properties not identified on the list of properties are not as vulnerable to being taken by the State because they are contractually bound by long-term leases. Nonetheless, Steve Skolnik stated that all CDC properties, including those with long-term leases, may be vulnerable and therefore recommended that the Council consider including all twelve properties in their action. It was also noted that because of the short notice, the grant deeds and legal descriptions would not likely be completed and ready to be recorded until Monday. Mr. Ashworth further stated that if the deeds are not recorded before the legislature takes action, the transfer would not occur.

Staff committed to endeavoring to complete and record the deeds as expeditiously as possible.

The second action pertains to annual loans that the City makes to the CDC for operational expenses. The loans are usually paid back in September. At this time, the CDC owes the City \$8,846,000. It is recommended that the two relevant loans outlined in Resolutions Nos. 9285 and 9286 be paid back immediately, because the bill may not treat this type of obligation as contractually enforceable.

There would still be a need for the City to loan money to the CDC for operational purposes, so it is recommended that this be done on a month-by-month basis. At this time, staff does not recommend committing excess funds to projects that may not be started or completed in a timely manner. Given the complexity of this issue, staff would not have been able to address a project list in the amount of time available for this meeting. Staff will come back to Council with a list of viable projects in the future. Councilmember Gonzalez stated that he would like to see a list of CIP projects at the next meeting to get some projects moving.

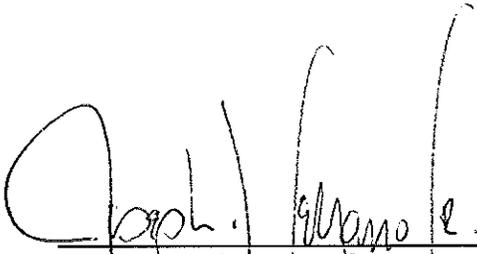
Councilmember Moore moved:

- (1) that the CDC transfer the properties on the attachment to the report to the City, as well as any other vulnerable properties as identified by the City Manager, Executive Director, and City Attorney, with the concurrence of the applicable two-member Council ad hoc committee.;
- (2) that the City Council accept such transfer on behalf of the City, subject to all redevelopment plans, agreements, laws, and regulations which impact the disposition and development of such property, thereby binding the City to dispose of such property in the same manner as would be required of the CDC.;
- (3) that the City Council and CDC Authorize the Director of Finance and Administrative Services to effectuate the CDC's repayment of loans it received from the City identified in previously adopted Resolution Nos. 9285 and 9286 in the amounts of \$8,646,000 and \$200,000, respectively, under the terms provided in the respective resolutions.;
- and,
- (4) that the City Council and CDC Adopt City Resolution No. 9309 and CDC Resolution No 260-2011, respectively, which authorize the City to loan the CDC funds necessary to conduct the day-to-day operation of the CDC on a month-to-month basis.

Mayor Pro Tem Rounds seconded the motion which carried unanimously.

4. **ADJOURNMENT**

Mayor Serrano adjourned the meeting at 6:55 p.m.



Joseph D. Serrano, Sr.
Mayor

ATTEST:



Anita Jimenez, Deputy City Clerk

4-14-11

Date