

**OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE
COUNTY OF VENTURA**

**OFFICIAL SUMMARY
MINUTES
April 10, 2014
2:00 PM**

County Government Center
Hall of Administration
County Executive Office
CEO Large Conference Room, Room - 4th Floor
800 S. Victoria Avenue
Ventura, California 93009

OPENING

1. Call to Order.
2. Roll Call.

Quorum established.

Members Present: Bill Bartels, Paula Driscoll, Tom Kasper, David Keebler,
Heather Kurpiewski, Christy Madden

Members Absent: Matt Carroll

Staff Present: Rosanna Bati, David Brown, Maggie Han, Donna McKendry,
Roberto Orellana

Staff Absent: Jaclyn Smith

3. Pledge of Allegiance to the Flag of the United States of America.
4. Public Comments – Citizen presentations regarding Board related matters NOT appearing on this agenda. (See guidelines, above.)

Piru Neighborhood Council (PNC) member Julie Lugo informed the Board that there are presently four PNC board members instead of five, and that any further comments will be made by one of the other representatives or herself.

5. Receive and File Without Objection or Amendment the Minutes for February 13, 2014 and March 13, 2014 Regular Meetings.

Oversight Board (OB) member Heather Kurpiewski identified one correction within the March 13, 2014 Minutes:

- 1) Page 3, Item 9, is amended to state: “GSA Parks Department Deputy Director, Ron Van Dyck, reported that the Piru Water Fountain has no cosmetic or ~~safely~~ safety issues and could remain in place and non-operational without any liability issues.”

Motion: To approve the amended Minutes for February 13, 2014; and to receive and file, with one amendment, March 13, 2014 Regular Meeting.

Moved by Christy Madden, seconded by Tom Kasper.

Vote: 6-0

Yes: Bill Bartels, Paula Driscoll, Tom Kasper, David Keebler, Heather Kurpiewski, and Christy Madden

6. Review the SA Monthly Administrative Financial Status Report and Take Action as Needed Thereon.

Rosanna Bati and David Brown, County Executive Office (CEO) Fiscal Department, reported the current Successor Agency (SA) financial status to the OB members.

7. Receive and File Department of Finance (DOF) Determination Letter, Dated March 28, 2014, Regarding Resolution No. 14-04 Accepting the Recognized Obligation Payment Schedules (ROPS 14-15A) for July 1, 2014, through December 31, 2014.

Motion: To Receive and File DOF Determination Letter, Dated March 28, 2014, Regarding Resolution No. 14-04 Accepting the Recognized Obligation Payment Schedules (ROPS 14-15A) for July 1, 2014, through December 31, 2014.

Moved by David Keebler, seconded by Christy Madden.

Vote: 6-0

Yes: Bill Bartels, Paula Driscoll, Tom Kasper, David Keebler, Heather Kurpiewski, and Christy Madden

8. Review General Services Agency's (GSA) Progress Toward Treating the Water Fountain at the Piru Town Square With Anti-Graffiti Coating and Take Action as Needed Thereon.

Discussion: SA staff, Donna McKendry, informed the Board that the anti-graffiti coating company would treat only the seat and lower part of the fountain. They would not treat any part of the fountain that comes in contact with water because the product is not immersion-proof. The estimate for the treatment was \$2,000.00, which is above the \$1,800.00 approved by the OB during the March 13, 2014 OB meeting. Ms. McKendry reported the fountain has never had an issue with graffiti and that GSA supported not treating the fountain and having GSA maintain it in its present condition until the facility is transferred to them.

Chair Bartels proposed suspending discussion of Item 8 and returning to it after receiving discussion and comments on Item 10. Oversight Board agreed and moved on to Item 9. (See Item 9, below, for OB's resolution of Item 8's issues.)

9. Review General Services Agency's (GSA) Progress on Deferred Maintenance Work on the Piru Town Square Facility and Take Action as Needed Thereon.

Discussion: SA staff Donna McKendry reported that a job order requisition for the deferred maintenance work has been signed by GSA. GSA is in the process of issuing a work order for all of the painting and deferred maintenance work and will have a start date soon. Termite extermination has been completed. GSA has also been conducting general maintenance including fixing the water leak between the bathroom and the maintenance room and fixing a lighting issue that is on one side of the building. GSA has also been working on weed abatement for the past several weeks and is working through a jurisdiction issue with the Ventura County Transportation Commission (VCTC) regarding who is responsible for removing the weeds on and around the railroad tracks.

OB received and accepted oral report as related, above, without further action.

10. Receive and File Resolution No. 14-05 for the Water Fountain as Directed at the March 13, 2014 Oversight Board Meeting.

Discussion: Along with discussion of this Item, Chair Bartels continued the OB's discussion of Item 8 regarding the increased cost to coat the fountain with an anti-graffiti product that would treat only the seat and lower part of the fountain and GSA's recommendation to maintain the fountain in its present condition. As stated above (see Item 8 discussion), the new estimate for the anti-graffiti treatment was \$2,000.00, which is above the \$1,800.00 amount approved by the OB during its March 13, 2014 meeting for the work. The Board discussed the issues of the increase in cost and the lack of effective coverage.

Ms. McKendry reported that the fountain has never had an issue with graffiti and that GSA supported not treating the fountain and leaving it in its current condition until it is transferred to the County. OB members supported staff's and GSA's recommendation without dissent. Since the new cost estimate was above the approved limit, no work can be conducted on the fountain without OB approval. Chair Bartels therefore determined there was no need to return to Item 8 and no action was taken on Item 8.

With regard to Item 10, Chair Bartels directed staff to draft and agendize a resolution for the OB's next meeting vacating Resolution No. 14-05, removing the requirement to treat the fountain with anti-graffiti coating and directing staff to inform GSA of the action once adopted by the OB.

11. Receive and File Resolution No. 14-06 for the Deferred Maintenance as Directed at the March 13, 2014 Oversight Board Meeting.

Item 11 was announced and resolved without OB discussion.

Moved by Christy Madden, seconded by Paula Driscoll.

Vote: 6-0

Yes: Bill Bartels, Paula Driscoll, Tom Kasper, David Keebler, Heather Kurpiewski, and Christy Madden

12. Review the Transfer of the Town Square Project and Storm Drain Project to the County of Ventura (County) and Take Action as Needed Thereon.

Discussion: The OB discussed the logistics, timing and actions required to move forward with the transfer of the Town Square and Storm Drain Projects. Assistant County Counsel Roberto Orellana confirmed that the OB would need to approve a resolution directing SA staff to present a letter to be addressed to the County of Ventura Board of Supervisors (BOS) asking them to accept the transfer of property. Chair Bartels directed staff to agendize a resolution and draft a letter to the BOS offering to transfer the Town Square and Storm Drain Project from the SA to the County for the BOS's review and action, i.e., acceptance of the transfers by the BOS, at its earliest opportunity.

13. Review the Disposition of the Piru Bank Building and Take Action as Needed Thereon.

Discussion: The OB discussed the logistics, timing and actions required to sell the Piru Bank Building. The key points of discussion are as summarized below:

- SA staff, Donna McKendry, passed out copies of (1) an email from Kosmont Realty Corporation (Exhibit A) announcing that the DOF has approved an "Auction Process for Property Management Plans" and (2) a handout entitled "Long Range Property Management Plan Reviews

Frequently Asked Questions” from the DOF website (Exhibit B).

- OB member Paula Driscoll asked if Kosmont Realty Corporation could be contacted to see if they have any SA customers that could be contacts by SA staff to inquire about their experiences using the Auction Process.
- Ms. McKendry stated that she spoke with Keith Filegar, Manager of the County’s Public Works/Real Estate Services Division, and that he is ready to produce a general report on local market values, including Fillmore and Santa Paula, if requested by the OB. This report would provide a general range of values to help the OB determine the Piru Bank Building’s fair market value.
- Ms. Driscoll stressed the importance of determining what fees are associated with the auction and sales processes. Chair Bartels said that the OB can stipulate that the buyer pay all fees associated with the cost of selling the building so that the OB minimum price will be the net income received by the SA.
- Ms. Driscoll requested that staff provide signage on the building, informing passersby that it is for sale, and whom they can contact if interested in purchasing the building.
- The OB discussed the net proceeds from any sale of the building and how they will be distributed. Two main options were discussed: (1) distribute net proceeds between all taxing entities and (2) pay down the unfunded liability that is identified in the approved ROPS 14-15A and distribute any balance to the taxing entities. The OB deferred resolution of that issue for a future meeting.
- Chair Bartels directed SA staff to:
 1. Contact the Kosmont Realty Corporation to request a list of other successor agencies’ contact persons with whom Kosmont has worked in providing auction services and find out their fee.
 2. Contact the DOF and inquire if net proceeds from the sale of the building could be applied to the prior period unfunded liability already for enforceable obligations approved in ROPS 14-15A.
 3. Obtain a fair market value report for the Bank Building from Keith Filegar so the OB can set a reserve base (minimum net) sales price.
 4. Inquire if the County’s Real Estate Services Division is capable of conducting the “Auction” without the use of an outside vendor.
 5. Post a “For Sale” sign on the Bank Building with contact information.
 6. Agendize an item for a future OB meeting to act on a resolution setting a sales price for the Bank Building. The staff report for this meeting should include a fair market value report that sets the range of values for any sale or auction, provides options for the OB to consider, including how to market the property and what value to set as a minimum net sales price, as well as what to do with the net proceeds once the Bank Building is sold.

14. Review the Transfer of the Town Square Project, Storm Drain Project and Bank Building to the Community Redevelopment Property Trust Fund of the Successor Agency and Take Action as Needed Thereon.

Assistant County Counsel Roberto Orellana informed the OB that this Item was being presented to the Board for it to formally acknowledge that all conditions have been met for the transfer of these projects to the Community Development Property Trust Fund by operation of law, as the Health and Safety Code dictates these transfers must be made if such conditions are met, namely final approval by the DOF of the amended LRPMP and the lack of any enforceable obligations related to such assets barring their transfer. OB was asked to acknowledge its understanding that all conditions for such transfers have been met.

Motion: Acknowledge that All Conditions Have Been Met So That, by Operation of Law, the Town Square Project, Storm Drain Project and Bank Building Are Now Transferred to the Community Redevelopment Property Trust Fund of the Successor Agency to the Former Redevelopment Agency of the County of Ventura.

Moved by David Keebler, seconded by Christy Madden

Vote: 6-0

Yes: Bill Bartels, Paula Driscoll, Tom Kasper, David Keebler, Heather Kurpiewski, and Christy Madden

15. Announcements and Future Agenda Items

A. Announcements

- Pending Legislation (deferred to May or June Meeting)

B. Future Agenda Items

- None (other than as indicted, above).

Next Regular Oversight Board meeting is scheduled for May 8, 2014 at 2:00 p.m.

Adjournment: The Board adjourned at 2:45 p.m.

Donna McKendry - Re: Fwd: DOF Approves PMP Auction Process - Kosmont Has The Details

From: Donna McKendry

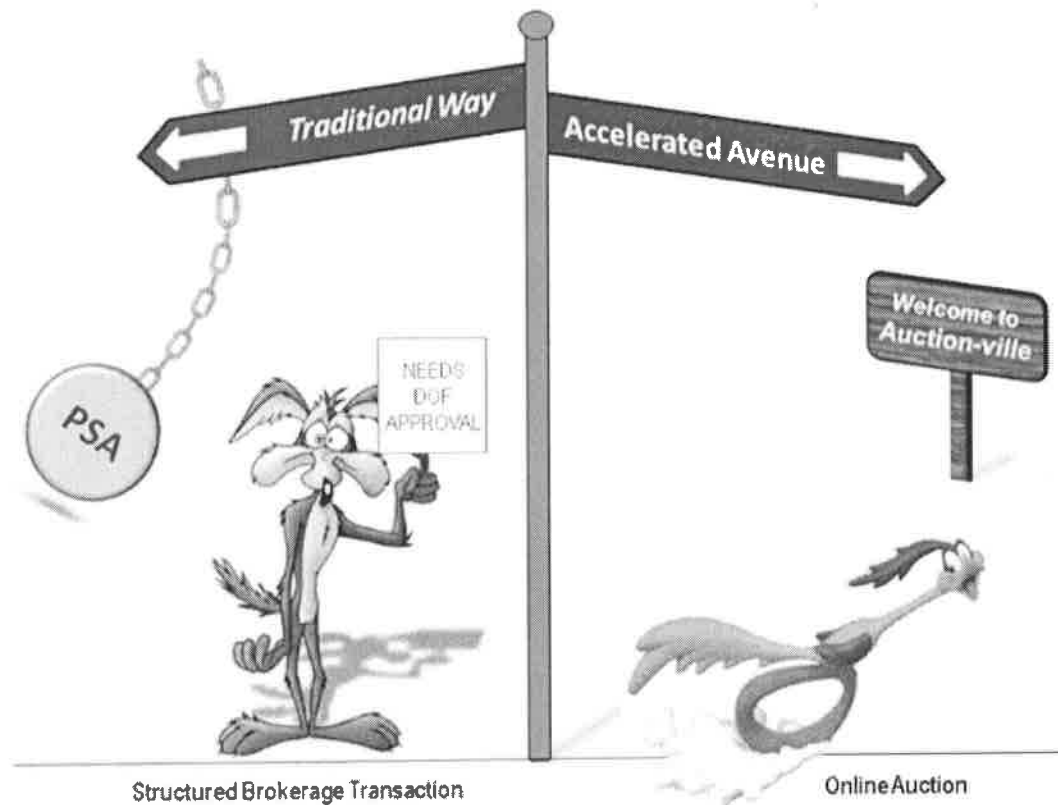
Subject: Re: Fwd: DOF Approves PMP Auction Process - Kosmont Has The Details

>>> On 4/8/2014 at 3:16 PM, "Kosmont Realty Corporation" <crodgers@kosmont.com> wrote:

Having trouble viewing this email? [Click here](#)

You're receiving this email because of your relationship with Kosmont Companies.

You may [unsubscribe](#) if you no longer wish to receive our emails.



Do you know that the Department of Finance Approved the Auction Process for PMPs?

With 60 approved Long-Range Property Management Plans (PMP) and over 200 pending, Successor Agencies (SA) will soon have to determine the preferred sale process for PMP properties while complying with the Department of Finance's (DOF) approval process. In light of the fact that the DOF just recently approved the auction process to sell PMP properties, there are now two ways for sales to occur.

The graphic below created from the DOF's recent presentation given to the CSMFO (California Society of Municipal Officers) called "AB-1484 So Many Moving Pieces," explains the differences between a traditional brokerage sale and an auction sale and provides insight as to how the DOF plans to conduct/approve the sale of PMP properties.

If the LRPMP calls for the property to be sold to a third party, the following will occur:

For direct sales between the SA and the third party, or sales executed through a REAL ESTATE BROKER

- The Oversight Board will approve a purchase and sale agreement. Multiple agreements can be approved in one Board action.
- The agreement(s) will be forwarded to DOF for review and approval.
- DOF will ensure that (1) the agreement comports with the LRPMP, and (2) that the sales price comports with the property's value as estimated in the LRPMP.
- The property sale(s) may proceed once DOF has completed its review.

For sales executed via an AUCTION PROCESS

- The Oversight Board will approve an auction services agreement and/or an auction commission agreement. The agreement(s) shall list a minimum reserve price for each property.
- When the auction process has started, the SA should provide the Oversight Board and DOF with access to the online property identification number so that due diligence documents and the ongoing sale/bid process can be reviewed and viewed.
- If the auction achieves at least the reserve price, the transaction may close **WITHOUT** further approvals from the Oversight Board or DOF.

How does this affect SA property sales?

For properties that work with the auction process, sales will be faster, less costly due to exemption from OB/DOF pre-approved formal Purchase and Sale Agreements (PSA) required of traditional sales channels, and as a result can yield some earlier cash resources for SAs. Auctions can be done in **approximately 120 days**. When appropriate, the auction process allows you the opportunity for faster sales that save you money with quicker return and without the anticipated back and forth negotiations needed to gain PSA approval to close from both the OB and the DOF. This is a win-win situation for everyone.

Our Team Can Help!

Kosmont Realty Corporation a leading expert in AB-1484 compliance and PMPs, has teamed up with Auction.com, the nation's leading online real estate marketplace. Together we have the resources and expertise to help you sell your properties while complying with the regulations set for the by the DOF. Let our Team help you determine whether some or all of your assets are appropriate for the auction process.

Contact us today via the phone numbers below or [click here](#) to send us an email to set a consultation meeting or ask any questions you may have about what all this means to you and your Successor Agency. *We are available to help!*



On March 10, 2014, the DOF updated their website's Frequently Asked Questions page with regards to the auction process approval. [Click here](#) and refer to question number 8 v. 3.10.14.

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Long Range Property Management Plan (LRPMP) Reviews Frequently Asked Questions

v. 04.9.13

Question 1: If the Agency wants to transfer former Redevelopment Agency (RDA) property to the city, county, or city and county, does the use and disposition of the property have to be reported in the LRPMP?

Response: Yes. The disposition and use of all former RDA real properties retained by the Agency must be listed in the LRPMP. This includes any property the Agency would like to transfer to the city, county, or city and county for future development.

HSC section 34179.5 (c)(5)(C) requires that the LMIHF and Other Fund and Accounts Due Diligence Reviews include an itemized statement of the value of any RDA assets that were not cash or cash equivalent, which included physical assets, land, records, and equipment.

HSC section 34191.5 requires that a Community Redevelopment Property Trust Fund be established to serve as a repository of the former RDA's real properties identified pursuant to HSC section 34179.5 (c)(5)(C). The LRPMP should include an inventory of all properties in the trust.

HSC section 34191.4 (a) states that all real property shall be transferred to the Community Redevelopment Property Trust Fund of the successor agency upon Finance approval of the LRPMP, unless that property is subject to the requirements of an existing enforceable obligation.

Question 2: A Finding of Completion (FOC) has not been issued by Finance. Can the Agency submit an Oversight Board (OB) resolution authorizing the transfer or sale of a property prior to submitting the LRPMP?

Response: No. Finance is not accepting a partial LRPMP or a separate OB resolution authorizing the disposition of non-governmental use properties at this time. Pursuant to HSC section 34191.3, the requirements specified in HSC sections 34177 (e) and 34181 (a) were suspended, except as those provisions apply to the transfers for governmental use, until Finance approves a LRPMP. Any OB resolutions submitted to Finance that authorizes the transfer of non-governmental use real properties will be not be approved.

The Agency may continue to set up the necessary steps for the property disposition, but is not allowed to finalize the transfer or sale until a FOC is issued by Finance and the disposition of the property is approved in the LRPMP. Finance recommends the Agency work towards completing the LRPMP and obtaining a FOC as soon as possible.

Question 3: If a property is identified to be transferred to the city, county, or city and county for future development, does the future development of the property have to be in accordance with an approved redevelopment plan?

Response: Yes. The use and disposition of the property should be consistent with and be identified in an approved redevelopment plan, or specific, community, or general plan.

However, if the use and disposition of the property has changed or is not in accordance with the applicable plan, the Agency must explain why the intended use of the property has changed and when the change was approved by the Oversight Board.

v. 01.15.13

Question 4: For purposes of the LRPMP, are Successor Agencies required to obtain appraisals of the impacted properties? Furthermore, are Successor Agencies required to provide information detailing the history of environmental contamination and of any associated remediation efforts for impacted properties?

Response: Finance does not interpret statute as requiring Successor Agencies to initiate new studies concerning the history of environmental contamination of properties covered by the LRPMP, or of any associated remediation efforts. Finance does, however, believe it is legislative intent that any existing studies or information of that nature be incorporated into the LRPMP.

Finance does not believe it is legislative intent that property appraisals be obtained for properties that the LRPMP proposes to sell or transfer to entities other than the city or county that created the former RDA. However, it would be appropriate to include in the LRPMP any existing appraisal information concerning these properties.

If the LRPMP proposes to sell or transfer the property to the city or county that created the RDA, then HSC section 34180 (f) requires that the Successor Agency reach a compensation agreement with the affected taxing entities to provide each entity a payment in proportion to its share of the base property tax generated by the property. If such an agreement cannot be reached with each affected taxing entity, the subdivision requires the property's value to be established by an independent appraiser approved by the Oversight Board.

v. 09.19.13

Question 5: Finance disallowed the transfer of properties from the RDA to the sponsoring entity during the Housing Asset Transfer Review, an Oversight Board Action Review, and/or the Due Diligence Reviews. However, the Asset Transfer Review completed by the State Controller's Office (SCO) did not require the sponsoring entity to return those properties to the Agency. Should the use and disposition of those properties be included in the LRPMP?

Response: Yes. Finance reviews and determinations are separate and distinct from the SCO audit results. Therefore, while the sponsoring entity may or may not be ordered to return the properties to the Agency, the use and disposition of those properties must still be addressed in the LRPMP.

Question 6: The Agency intends to sell a property on the LRPMP. Should the LRPMP identify the intended use of the revenue generated from the property sale?

Response: Yes. The LRPMP must address the disposition and use of the real properties of the former redevelopment agency. Pursuant to HSC section 34191.5 (c)(2)(B), if the LRPMP directs for the liquidation of the property or the use of revenue generated from the property for any purpose other than to fulfill an enforceable obligation, the proceeds from the sale shall be

distributed as property tax to the taxing entities. Therefore, the LRPMP should identify the use of the revenue generated from the property as: (1) to fulfill an enforceable obligation or (2) to be distributed as property tax to the taxing entities.

Question 7: The properties previously owned by the former redevelopment agency have been transferred to the appropriate public jurisdiction for governmental purpose or to the Housing Successor as housing assets. These transfers were approved by the Agency's oversight board and Finance. Therefore, the Agency no longer owns any properties. Should the Agency submit the LRPMP?

Response: It is requested that the Agency send a letter to Finance indicating that there are no properties to report. The Agency can also fill out the Long-Range Property Management Tracking Sheet located at Finance's web site, indicating no property to report.

The Tracking Sheet can be found at:

http://www.dof.ca.gov/redevelopment/long_range_property_management/view.php

Finance will confirm there are no properties to be reported and will send a letter of our acknowledgment.

v. 03.10.14

Question 8: When a Long-Range Property Management Plan (LRPMP) calls for a piece of property to be sold, is it permissible for that property to be sold through an auction-type process?

Response: Yes. When an Oversight Board (OB) and Finance-approved LRPMP calls for a piece of property to be sold, Successor Agencies may dispose of property through an auction process if they choose to do so. This process can be structured in various ways; however, to comply with legislative intent that property dispositions be conducted in a transparent manner that seeks to maximize value, it is suggested that Successor Agencies that choose to employ the auction process include as part of the process OB approval of (1) the auction services agreements and/or auction commission agreements and (2) a minimum reserve price for each property that is to be auctioned. The reserve price should be based on the valuation estimate contained in the LRPMP, but may contain updates in valuation range expectations based on market conditions and other conditions that are specified in the accompanying OB action. The auction services and/or commission agreements, along with the reserve prices of multiple associated properties, may be approved in one OB action. It is recommended that the auction provider promote the auction for a few weeks prior to the sale and make available any documentation related to the property to ensure transparency of information for those bidding. In the above suggested structure, if the auction of an asset achieves the reserve price, the transaction may close.