

**OVERSIGHT BOARD  
FOR THE SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY  
SPECIAL MEETING MINUTES  
Tuesday, July 2, 2013, 3:00 p.m.  
City Council Chambers  
1901 Airport Rd.,  
South Lake Tahoe, California 96150**

*NOTE: The Minutes represent the actions of items taken at the July 2, 2013, meeting. Complete Board member discussion on agenda items are kept on audio tape per the City's record retention policy and detail on agenda items can be reviewed in the staff reports contained in the agenda packet which is kept on file in the City Clerk's department as permanent record or on the City's website at <http://www.cityofslt.us>*

**CALL TO ORDER/PLEDGE OF ALLEGIANCE TO THE FLAG:**

At 3:00 p.m., Chair Cole called the meeting to order and led the pledge of allegiance to the flag.

**ROLL CALL:**

Present at the meeting site were Chair Cole, Board Members Kerry, Mikulaco, Vogelgesang and participating via teleconference at 6767 Green Valley Road, Building A, Placerville was Board Member Meyer. Absent were Board Members Baugh and Murillo. Also present were Interim City Attorney Feeley, City Clerk Alessi, Assistant City Clerk Palazzo, Bob Gamble, Financial Advisor, PFM and David Fama, Attorney, Jones Hall

**PUBLIC COMMUNICATIONS (3:05 p.m.):** None

**CONSENT AGENDA:**

1. Minutes:  
February 27, 2013 Special Meeting Minutes

**IT WAS MOVED BY BOARD MEMBER VOGELGESANG AND SECONDED BY BOARD MEMBER KERRY AND CARRIED AS FOLLOWS TO APPROVE THE MINUTES AS SUBMITTED:**

**AYES: COLE, KERRY, MIKULACO & VOGELGESANG  
ABSTAIN: MEYERS**

**NEW BUSINESS:**

- a) **Resolution of the Oversight Board of the Successor Agency to the South Tahoe Redevelopment Agency Making a Determination Regarding the Transfer of the South Tahoe Public Parking Garage to the South Tahoe Joint Powers Parking Financing Authority and Approving and Authorizing Certain Other Related Actions**

**Note: City Attorney Memo with Revised Relined Resolution and Parking Facility Agreement was distributed in hardcopy prior to the meeting and via email to Board members.**

Chair Cole provided a brief history of the financial activity of the former South Tahoe Redevelopment Agency including the building of the parking garage and commented on the challenges of its dissolution. He explained that it was always the intention of the South Tahoe Redevelopment Agency to transfer the garage to the South Tahoe Joint Powers Parking Financing Authority and stated it was a ministerial oversight that the transfer did not occur.

**NEW BUSINESS a) (Continued):**

Cole further stated that the parking garage was a liability of the Successor Agency and not an asset and if the operation of the garage changed significantly, it may jeopardize the payment of the revenue bonds and put the garage into default. He stated the garage revenue was currently \$600,000 per year and the goal was to refinance the bonds in order for the current revenue to cover the bonds and to lower the interest rate. Cole noted Bob Gamble, Financial Advisor, PFM and David Fama, Attorney, Jones Hall who were involved with the refinancing issues were present to answer questions. Cole also noted a letter received by the El Dorado County Auditor Joe Harn objecting to the transfer of the parking garage. Cole stated the Department of Finance would make the final decision to determine if this action was legal and consistent with the law and the process was for both the Successor Agency and the Oversight Board to take action and forward to the Department of Finance for their review. (A copy of County Auditor Controller email letter is kept on file as permanent record in the City Clerk's Office)

Member Kerry noted earlier today the South Tahoe Joint Powers Parking Financing Authority directed the Successor Agency for the South Tahoe Redevelopment Agency to make the transfer of the parking garage and the Successor Agency authorized the transfer to the South Tahoe Joint Powers Parking Financing Authority. Kerry stated that until the Department of Finance provided a determination, no act to transfer or refinance would be taken.

Member Mikulaco noted his concerns regarding legal issues of the title to the parking garage and provided explanation regarding the El Dorado County Auditor's position that there were legal issues with the board taking action on this item and stated that the title to the garage was not clear. He also stated the County Auditor's concern that a Long Range Management Plan had not been completed and therefore no disposition of assets could be allowed and he would not support the item.

Member Meyers asked whether the Board would all be in favor if all the documents were in order and questioned what the downside would be forwarding to the Department of Finance for a decision. He stated if the Department of Finance disagreed then the Board would be back where it started.

Member Vogelgesang questioned if the bonds were in good payment.

Bob Gamble, PFM, Financial Advisor to the South Tahoe Joint Powers Parking Financing Authority provided the board with the financial status of the bonds as being in technical default and explained the definition of technical default as extra revenues above payments as required by the covenant of the bonds.

Member Vogelgesang stated that potentially could be a liability and there was no upside to not taking an action.

David Fama, Jones Hall, Attorney to the South Tahoe Joint Powers Parking Financing Authority provided the board with a history of the parking garage and the parking facility agreement which authorized the transfer of the parking garage from the South Tahoe Redevelopment Agency to the South Tahoe Joint Powers Parking Authority. Fama stated the Bondholders would seek legal action if the bonds went into default and the garage had not been transferred per the agreement.

**NEW BUSINESS a)- (Continued):**

Board members conducted further discussion.

**Public Comment (4:05 p.m):** None

**IT WAS MOVED BY BOARD MEMBER VOGELGESANG AND SECONDED BY BOARD MEMBER KERRY AND CARRIED AS FOLLOWS TO ADOPT OVERSIGHT BOARD RESOLUTION NO. 2013-3 MAKING A DETERMINATION REGARDING THE TRANSFER OF THE SOUTH TAHOE PUBLIC PARKING GARAGE TO THE SOUTH TAHOE JOINT POWERS PARKING FINANCING AUTHORITY AND APPROVING AND AUTHORIZING CERTAIN OTHER RELATED ACTIONS:**

**AYES: COLE, KERRY, MEYERS & VOGELGESANG  
NOES: MIKULACO**

**NEW BUSINESS:**

- b) Resolution of the Oversight Board of the Successor Agency to the South Tahoe Redevelopment Agency Making Findings and Determinations Regarding the Revenues and Obligations of Community Facilities District No. 2001-1 (Park Avenue Project) and Taking Certain Related Actions**

Members Kerry and Cole explained the boundary of the Community Facilities District(CFD) as the Heavenly Village area and also explained the property owners voted to assess themselves with a tax which was used to pay for operations of the area and bond debt and has also been used to pay the shortfall of the garage if there were additional monies. Cole also stated there was no obligation of the Community Facilities District to pay for the bonds.

Bob Gamble explained the first priority was the bond obligation, second was the operation of the garage and the third priority was any remaining money was to be used to support the garage. Gamble explained that as time goes by the bond payments increase and there is no enough money.

Member Kerry explained the resolution moves forward the refinancing process by adopting an amended parking facility agreement and an indenture and stated the Community Facility District was a separate entity from the Successor Agency and the revenues of the Community Facility District was not an obligation of the Successor Agency.

David Fama explained the provision of the 2002 Parking Facility Agreement enabled the formation of a Community Facilities District to generate special tax revenues. The CFD agreed to pay debt service with any surplus taxes. The amended agreement would allow any surplus taxes to apply to the proposed 2013 bond refinance.

Board members conducted further discussion.

**Public Comment (4:20 p.m.):** None

**IT WAS MOVED BY BOARD MEMBER KERRY AND SECONDED BY BOARD MEMBER VOGELGESANG TO ADOPT OVERSIGHT BOARD RESOLUTION NO. 2013-4 APPROVING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO PARKING FACILITY AGREEMENT AND MAKING FINDINGS AND DETERMINATIONS REGARDING**

**THE REVENUES AND OBLIGATIONS OF COMMUNITY FACILITIES DISTRICT NO. 2001-1 (PARK AVENUE PROJECT) AND TAKING CERTAIN RELATED ACTIONS**

**NEW BUSINESS b) (Continued):**

Member Mikaluco stated his support of the motion as it specifically amended the terms of the bond if issued.

**CHAIR COLE CALLED FOR THE VOTE AND THE MOTION WAS UNANIMOUSLY CARRIED BY ALL PRESENT.**

**NEW BUSINESS:**

- c) Resolution of the Oversight Board of the Successor Agency to the South Tahoe Redevelopment Agency Approving the Use of Alternate Sources of Funds for ROPS 13-14A Enforceable Obligations and Authorizing and Directing Certain Related Actions**

Member Kerry explained the process of dissolution and described the issues surrounding the Successor Agency's projected shortfall of \$2M between expected tax increment revenues and approved enforceable obligations. Kerry further explained the this resolution approves the use of \$1.3M in unobligated monies that remain in two South Tahoe Redevelopment Successor Agency accounts since the dissolution date of February 1, 2012.

Member Mikulaco questioned what the obligations the Successor Agency were and requested explanation of the County Auditor's concerns with this item.

Member Kerry explained the obligations of the Successor Agency referring to attachment to Resolution 2013-1 of the staff report. Kerry further explained the Housing Due Diligence Report and Redevelopment Agency other asset Due Diligence Report as an audit of the two bank accounts. The Housing DDR was completed in October 2012 and the second DDR due last December was not yet completed. The County Auditor wanted to wait until the other asset DDR was complete. (A copy of County Auditor Controller email letter is kept on file as permanent record in the City Clerk's Office)

Member Mikulaco stated the decline in property tax was due to decline in property values and that the county was seeing an increase in property tax values in the last three years.

Member Kerry explained the values needed to increase above the 2004 values and explained the redevelopment area property tax was different from the rest of the city. Kerry explained the 29 parcels of the Chateau project appealed the amount owed in back taxes and were successful in their appeal. The Successor Agency now gets less money due to the appeal.

Board members conducted further discussion.

**Public Comment (4:35 p.m.):** None

**IT WAS MOVED BY BOARD MEMBER MEYERS AND SECONDED BY BOARD MEMBER KERRY AND UNANIMOUSLY CARRIED BY ALL PRESENT TO ADOPT OVERSIGHT BOARD RESOLUTION NO. 2013-5 APPROVING THE USE OF ALTERNATE SOURCES OF FUNDS FOR ROPS 13-14A ENFORCEABLE OBLIGATIONS AND AUTHORIZING AND DIRECTING CERTAIN RELATED ACTIONS**

**NEW BUSINESS:**

- d) **Month-to-Month Lease Agreement Between the South Tahoe Redevelopment Successor Agency and Mansoor Alyeshmerni for Lease of the Blue Lakes Parking Lot in the Amount of \$2,000 per year**

Chair Cole provided overview of the history of the Blue Lakes parking lot.

Board members conducted discussion.

Member Mikulaco requested reassurance that the Lessee had accepted responsibility for insurance liability.

Interim City Attorney Feeley stated the indemnification in the agreement was favorable to the Successor Agency.

Member Vogelgesang questioned how much longer for the DDR to be completed.

Member Kerry commented that an independent auditor had been hired and was working with County Auditor Harn and the County Auditor was directing their activities.

Member Cole explained the Redevelopment Agency purchased the property for its development rights which were transferred to an RDA project.

Member Kerry noted that the Lessee cannot charge for parking on the lot.

Interim City Attorney Feeley requested the board approve the lease with the elimination of paragraphs 1b, c & d that erroneously refer to other properties the Lessee has entered into other lease agreements with.

**Public Comment (4:50 p.m.):** None

**IT WAS MOVED BY BOARD MEMBER VOGELGESANG AND SECONDED BY BOARD MEMBER COLE AND UNANIMOUSLY CARRIED BY ALL PRESENT TO AUTHORIZE THE CHAIR TO EXECUTE OVERSIGHT BOARD AGREEMENT NO. OB-2-13 BETWEEN THE SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY AND MANSOOR ALYESHMERNI FOR THE MONTH-TO-MONTH LEASE OF THE BLUE LAKES PARKING LOT IN THE AMOUNT OF \$2,000 PER YEAR WITH THE ELIMINATION OF PARAGRAPHS 1B, C & D AS RECOMMENDED BY INTERIM CITY ATTORNEY FEELEY**

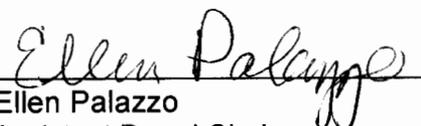
**OVERSIGHT BOARD MEMBER ANNOUNCEMENTS/COMMENTS:**

Board members re-confirmed general meeting days as Fridays.

**ADJOURNMENT:**

Chair Cole adjourned the meeting at 4:55 p.m.

Respectfully Submitted by:

  
Ellen Palazzo  
Assistant Board Clerk

  
Hal Cole, Chair