

**OVERSIGHT BOARD
FOR THE SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY
SPECIAL MEETING MINUTES
Friday, June 17, 2016, 2:00 p.m.
City Council Chambers
1901 Airport Rd.
South Lake Tahoe, California 96150**

NOTE: The Minutes represent the brief summary/actions of items taken at the June 17, 2016 meeting. Complete Board member discussion on agenda items are kept on a digital audio file 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 2:12 p.m., Chair Cole called the meeting to order.

ROLL CALL:

Present at the meeting site were Chair Cole, Board Members Kerry, Murillo, Novasel and Vogelgesang. El Dorado County Office of Education Member Dr. Manansala was absent. Also present were Assistant City Clerk Palazzo and Deputy Director of Finance McIntyre.

Chair Cole led the pledge of allegiance to the flag.

PUBLIC COMMUNICATIONS: None

ADOPTION OF THE REGULAR AND CONSENT AGENDA:

CONSENT AGENDA:

Item:

1. Minutes:
June 17, 2016 Special Oversight Board Minutes

IT WAS MOVED BY BOARD MEMBER NOVASEL AND SECONDED BY BOARD MEMBER VOGELGESANG TO APPROVE THE MINUTES AS SUBMITTED BY ALL PRESENT

NEW BUSINESS:

- a) Resolution of the Oversight Board to the Successor Agency to the South Tahoe Redevelopment Agency Authorizing the Execution and Delivery of a Sale Agreement Regarding the Successor Agency's Sale of Property Located at 3709 Osgood Avenue

Chair Cole asked if anyone in the audience wanted to comment on the item.

Ed Mosur, South Lake Tahoe stated he was opposed to the sale under the terms listed and questioned the following: (1) why the site was not buildable when there was a veterinary facility on it prior to it being removed (2) does the money received from the sale of commodities go to

NEW BUSINESS: (Continued)

the Successor Agency to pay off debt once sold and why was it not already sold (3) can the parcel be combined after the sale to form one lot and the coverage transferred

Chair Cole answered question number one (1) stating the site was a Class 1B in a Stream Environment Zone (SEZ) area which was why it was removed and further stated when the veterinary facility was built it was before the Tahoe Regional Planning Agency (TRPA) zoned land in the way it is currently zoned. Cole provided an example of Meeks Lumber also built on an SEZ and if it was removed no buildings would be allowed to be built on the land. Cole further stated he thought the TRPA came into existence in 1978.

Vogelgesang inquired whether there was commercial square footage (CFA) transferred to the Successor Agency.

Kerry stated there was CFA owned by the Successor Agency and the appraised value of the lot was \$10,000 without CFA.

Vogelgesang pointed out the goal was to transfer that CFA to a more marketable property to maximize revenue for the Successor Agency. Vogelgesang noted that the task was to sell all the commodities available for as much as possible and as quickly as possible.

Further discussion was held regarding the history of buildings on SEZ's.

Kerry answered question two (2) stating Deb Howard was the broker for the Successor Agency on all the properties and commodities and when there was interest in the commodities it would be brought forward. The information is publicized for when someone is interested.

Cole answered question three (3) stating the parcel could be combined; however, it did not increase the allowable coverage on the Osgood lot because it is an SEZ.

Mosur further questioned if the coverage from 3709 Osgood Ave. could be transferred and used for parking on the lot.

Cole stated each commodity was sold separately from the sale of land and coverage

Vogelgesang reiterated that coverage was not allowed on an SEZ.

Kerry noted the owner planned purchasing the coverage and combining the lots so more coverage was allowed on the other parcel but not on the Osgood parcel.

Further discussion was held.

Chair Cole closed public comment and called for the vote.

IT WAS MOVED BY BOARD MEMBER MURILLO AND SECONDED BY BOARD MEMBER NOVASEL AND UNANIMOUSLY CARRIED BY ALL PRESENT TO AUTHORIZE THE EXECUTION AND DELIVERY OF A SALE AGREEMENT REGARDING THE SUCCESSOR AGENCY'S SALE OF PROPERTY LOCATED AT 3709 OSGOOD AVENUE

NEW BUSINESS:

- b) **Resolution of the Oversight Board to the Successor Agency to the South Tahoe Redevelopment Agency Authorizing the Execution and Delivery of a Sale Agreement Regarding the Successor Agency's Sale of Property Located at 1051 and 1059 Ski Run Boulevard and 3659 Lake Tahoe Boulevard**

Board Member Kerry provided a brief summary of the sale of property also known as the Blue Lakes Parking Lot and stated the offer was for \$100K with conditions on sale. Kerry stated the new owner was required to put in lighting, new BMP's with a total investment of \$50 to \$75K to meet the conditions of the sale. Kerry further stated instead of the agency receiving additional money the new owner would invest the money into site improvements. Kerry also noted that the agency has first right of refusal should the new owner wish to sell the property.

Cole noted that he spoke with the broker and reported the appraiser would provide a letter confirming the purchase price was fair market value with the investments and the contingencies.

Kerry stated it was in the best interest of the owner to invest into the property as a parking lot and if the owner ever sold the property the city would have the right to acquire it first and the city's intent was for it to remain a parking lot. Kerry also stated the property was deed restricted as part of the conditions.

Mosur questioned how many square feet of coverage there was on the property and what was the value of the coverage.

Kerry stated she provided that information to him previously and she didn't have that information on hand.

Cole stated the value of coverage was estimated at one or two dollars.

Further discussion was held on value of coverage.

Vogelgesang questioned if Mr. Mosur's point was that the coverage was worth more because it was developable property.

Mosur commented the deed restriction would be void if the city declined to purchase the property if the owner ever decided to sell and it and the property would be developable.

Cole stated that Tourist Accommodation Units (TAU's) would need to be purchased in that scenario. Cole reiterated the current appraisal was \$100K plus conditions to bring the property up to fair market value.

Kerry pointed out the potential for litigation due to an agreement between the former Redevelopment Agency and the owner of Ski Run Marina which stated the parking lot would be granted to the Marina at no cost for parking which was included in the plan for parking. Kerry stated the Successor Agency could get nothing because of the former agreement; however, the under dissolution act, agreements remained valid. Kerry stressed this was a good result to the agency because it was receiving \$100K in revenue without cost to the Successor Agency to apply to debt rather than giving away the property.

NEW BUSINESS (b): (Continued)

Novasel questioned if the agency conferred with the attorney on the matter.

Kerry reminded the Oversight Board Members their task was to either approve or disprove the actions of the Successor Agency.

Murillo questioned who the litigation would be between.

Kerry stated it would be with the Successor Agency.

Murillo emphasized the outcome was more positive and beneficial to the area as well as avoided litigation than having another appraisal done and sold to another party.

Discussion was held.

Vogelgesang questioned whether Mr. Alyeshmerni hinted at litigation.

Kerry stated yes.

Mosur commented the agreement was never executed.

Murillo commented the outcome was better than possibility of litigation even if the agreement was never executed.

Further discussion was held regarding the possibility of litigation and the fiduciary responsibility of the Successor Agency to dispose of property.

Mosur remarked this was an opportunity for the property to be used as water storage for Bijou Creek during flooding.

Cole stated the elevation of the property was higher than the existing drainage basins and those basins had the capacity to handle the increased runoff. Cole further stated engineers have looked at mitigation of water from Bijou Creek and that site was not a suitable place. Cole conveyed they felt this was the highest and best use of the property owned by the Successor Agency.

Mosur disagreed.

Chair Cole called for the vote.

IT WAS MOVED BY MURILLO AND SECONDED BY NOVASEL AND UNANIMOUSLY CARRIED BY ALL PRESENT TO AUTHORIZE THE EXECUTION AND DELIVERY OF A SALE AGREEMENT REGARDING THE SUCCESSOR AGENCY'S SALE OF PROPERTY LOCATED AT 1051 AND 1059 SKI RUN BOULEVARD AND 3659 LAKE TAHOE BOULEVARD

NEW BUSINESS:

- c) **Resolution of the Oversight Board to the Successor Agency to the South Tahoe Redevelopment Agency Approving the Revised Use of Alternate Sources of Funds for ROPS 15-16B Enforceable Obligations**

Board Member Kerry provided background on the item and stated this was a new requirement of the Successor Agency to identify all of the funds and revenue sources of those funds for debt service. Kerry stated the resolution memorialized those funds used for debt service and due to changes in law this would be done on an annual basis.

Chair Cole opened public comment. No one appeared in order to be heard.

Chair Cole called for the vote.

IT WAS MOVED BY NOVASEL AND SECONDED BY VOGELGESANG AND UNANIMOUSLY CARRIED BY ALL PRESENT TO APPROVE THE REVISED USE OF ALTERNATE SOURCES OF FUNDS FOR ROPS 15-16B ENFORCEABLE OBLIGATIONS

OVERSIGHT BOARD MEMBER ANNOUNCEMENTS/COMMENTS

Board Member Kerry noted the Riverside property was in escrow and there were a few commodities remaining.

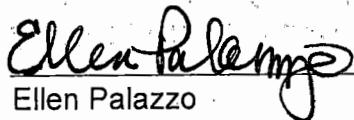
Chair Cole questioned about the next required meeting.

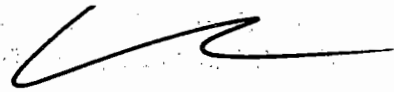
McIntyre stated the next meeting would be in January to approve the ROPS for the year 17/18.

ADJOURNMENT:

Chair Cole adjourned the meeting at 2:40 p.m.

Respectfully Submitted by:


Ellen Palazzo
Board Clerk


Chair