

UNOFFICIAL UNTIL APPROVED

**REGULAR MEETING OF THE REDEVELOPMENT AGENCY
MAY 13, 2002**

The Redevelopment Agency of the City of Costa Mesa, California, met in a regular meeting on May 13, 2002, in Conference Room 1A of City Hall, 77 Fair Drive, Costa Mesa. The meeting was called to order at 6:30 p.m. by Chairperson Monahan, who led the Pledge of Allegiance to the Flag.

ROLL CALL Agency Members present: Chairperson Monahan
Vice Chairperson Dixon
Agency Member Cowan
Agency Member Steel

Agency Member absent: Agency Member Robinson

Officials present: Executive Director Lamm
Planning & Redevelopment Mgr. Robinson
Director of Finance Puckett
Agency Attorney Wood
Neighborhood Improvement Mgr. Ullman
Executive Secretary Thompson

POSTING The Redevelopment Agency meeting agenda was posted at the Council Chambers and Police Department on Thursday, May 9, 2002.

MINUTES On a motion by Agency Member Cowan, seconded by Vice Chairperson Dixon, and carried 4-0 (Agency Member Robinson absent), the Minutes of April 8, 2002, were approved as written.

OLD BUSINESS None.

NEW BUSINESS

Consideration of Budget Adoption for fiscal year 2002-2003 Director of Finance Puckett briefly reviewed the proposed balanced budget for the three funds types for a total of \$3.2 million, drawing \$369,000 from prior years reserve combined with estimated revenues of \$2.9 million. He reported staff would be available to answer any questions concerning highlights contained within the staff report. In the previous two years, the budget has been considered and adopted by the Redevelopment Agency during the same meeting. The proposed budget is now being offered for consideration with the option to take action at the June meeting.

In response to Agency Member Cowan's question, Director of Finance Puckett said the \$3.2 million includes an interest payment on the City loan of \$1,289,000. Executive Director Lamm explained the position of Associate Planner was budgeted; however, that same position is referred to as a Project Manager/Management Analyst by the Redevelopment Agency. Three Associate Planner recruitments were conducted over the last year without finding viable candidates for the Planning Division let alone for the Redevelopment position.

Robert Graham, 3260 Dakota Avenue, Costa Mesa, asked what payment is being made on the Triangle Square Note.

Director of Finance Puckett referred to Attachment 3 of the staff report "Debt Information". It shows the amount proposed on the Triangle Square

Replacement Note which is calculated upon review of the tax increment captured for the facility, and compared to the amount that would normally be paid on retirement of the debt service. This debt obligation will be completely paid off in fiscal year 2002-2003.

Allan Mansoor, 2973 Harbor Boulevard #406, Costa Mesa, referred to \$579,000 estimated revenue quoted on page 1 of the staff report, and asked where such funds would come from. Director of Finance Puckett reported it is a combination of the low/moderate income housing twenty percent set aside funds from the tax increment, repayment of the deferred set-aside and an additional amount from investment earnings for the next fiscal operating year. Eighty percent is used for reduction of debt in the tax increment fund.

**MOTION
Approved
Carried**

On a motion by Agency Member Cowan, seconded by Vice Chairperson Dixon, and carried 4-0 (Agency Member Robinson absent), Resolution No. 226-02 was adopted approving the proposed Budget for the 2002-2003 Fiscal Year.

**Amended Housing
Deficit Reduction
Plan**

Director of Finance Puckett reported the Amended Housing Deficit Reduction Plan provides the maximum repayment on advances from the low/moderate fund to provide housing programs while maximizing the repayment on the promissory note to the City. He outlined the amortized repayment schedule attached to the staff report and explained the repayment of the deferred set-aside is projected by fiscal year 2006-2007. Triangle Square debt will be fully repaid in 2002-2003; those dollars will then be allocated to repay the deferred set-aside by fiscal year 2006-2007. When this is accomplished, those dollars will be used to satisfy repayment of the City advance. Beginning in fiscal year 2006-2007, funds will become available for new projects, if desired.

Robert Graham, 3260 Dakota Avenue, Costa Mesa, asked if the City had paid off its bond without benefit of income from Triangle Square. Director of Finance Puckett responded the debt is being paid by funds received annually from the tax increment captured within the project area – not by City dollars.

Director of Finance Puckett responded in the affirmative to Agency Member Cowan’s question that beginning next year, it is projected an accelerated advanced repayment of the set aside will make funds available in exchange for paying off some of the other debt right now.

**MOTION
Approved
Carried**

On a motion by Vice Chairperson Dixon, seconded by Agency Member Steel, and carried 4-0 (Agency Member Robinson absent), the Amended Housing Deficit Reduction Plan was adopted.

**Professional
Services Agree-
ment Community
Redevelopment
Action Committee
Public Participa-
tion Facilitator**

Planning and Redevelopment Manager Robinson reported in December, 2001, the Redevelopment Agency directed staff to retain a public participation facilitator for the renamed Community Redevelopment Action Committee (CRAC). The Planning Commission reviewed three proposals and conducted interviews of two firms. Its recommendation is to enter into a contract with Civic Solutions, Inc. (CSI). Staff was requesting approval of Budget Adjustment Number 02-400 in the amount of \$105,400 from undesignated fund balance to be appropriated for the unfunded portion of the proposal.

Planning and Redevelopment Manager Robinson introduced John Douglas, Project Manager, Civic Solutions, Inc.

Vice Chairperson Dixon asked if progress reports will be in a written format or formally presented to the Redevelopment Agency in three, six and twelve months. Planning and Redevelopment Manager Robinson responded he anticipated a written report and oral presentation at a Redevelopment Agency meeting. Vice Chairperson Dixon asked if Redevelopment Agency Members would meet individually with Mr. Douglas. He responded, initially, there would be individual meetings with Redevelopment Agency Members and also key community members. The CRAC would decide what rules it wants along with CSI and staff recommendations. Page 4 of CSI's proposal states involvement of the Planning Commission and City officials is desirable to show commitment to the project. This is to ensure what the community develops has Redevelopment Agency support. The 3, 6 and 12 months reporting timeframe is good; however, there may be times when that schedule should be adjusted. Vice Chairperson Dixon said she did not support having City officials "leading the charge". Mr. Douglas recommended all stake holders in the community participate in the process.

Agency Member Cowan reiterated her original concept of the CRAC precludes active involvement by City officials because they could carry "some baggage". There is a perception that an official's presence indicates they are there with answers; however, they have no answers for the Westside. It is a community effort; officials and the community work together. She has made a commitment to support that process unless the CRAC requests a liaison from the Redevelopment Agency or Planning Commission.

Chairperson Monahan suggested Mr. Douglas and Members of the Redevelopment Agency were not so far apart in their concepts. If the CRAC comes up with a recommendation, it should be presented to the Redevelopment Agency in a reasonable timeframe, rather than proceeding and then finding there were obstacles in the future. At the beginning, it was stated the Redevelopment Agency would not be active participants pushing the CRAC down a particular road.

A discussion ensued concerning the role of the Redevelopment Agency. Agency Member Steel said he had faith in the CRAC; he supported Vice Chairperson Dixon and Agency Member Cowan in their desire that City officials maintain a low profile in connection with the CRAC. Chairperson Monahan commented if no formal action is taken to assign a liaison, then there will be no liaison, and any City official could participate as a citizen/resident. The CRAC needs to know if City officials are in attendance, they speak only for themselves and no other. All meetings will be open to the public and those individuals have a right to attend.

Executive Director Lamm confirmed the full CRAC meetings could possibly be taped but most likely not televised live. It could be a budget item and would need to be reviewed. At this time, the subject is under discussion.

Vice Chairperson Dixon asked Mr. Douglas what criteria would be used to define the twenty stake holders proposed. Mr. Douglas responded the number twenty is just a suggestion; to get a full appreciation of the issues is to talk with the people involved with the process. The "steering committee" is suggested because the group is very large and it is extremely difficult to work with that number of people all at the same

time. He described the make-up of such a committee and how it becomes more affective to resolve the direction and issues for the larger group and community as a whole. Agency Member Cowan pointed out it should be the CRAC that makes the recommendations to the group.

Chairperson Monahan expressed concern over the dollar amount of the contract; however, the Redevelopment Agency needs to be careful about micromanaging. He supported letting CSI do the job. Agency Member Steel supported "majority rule".

**PUBLIC
COMMENT**

Martin Millard, 2973 Harbor Boulevard, No. 264, Costa Mesa, requested definition of "consensus". Mr. Douglas responded, to his mind, it is a preponderance of opinion amongst the group one is working with. What is hoped for is unanimous support but approximately 80% is acceptable; as a group gets larger it is impossible to have unanimity on complex issues. The CRAC has to be comfortable with its process of agreement. Mr. Millard said he had other questions. Chairperson Monahan directed that public questions should be limited at this time. The appropriate place would be during a CRAC meeting. If the CRAC has a recommendation or request outside the suggested timeframe, it can approach the Redevelopment Agency at any time if agendized. The CRAC is made up of 75-80 members who will be making formal votes (opinions). Other statements are just comments by non-voting CRAC members. "Stake holders" would be the CRAC membership.

Tom Egan, 1893 Parkview Circle, Costa Mesa, supported the selection of CSI and liked its idea that all stake holders be involved. He described how the Laguna Beach Visioning process worked which included participation by a council member.

C.K. Allen, 1967 Rosemary Place, Costa Mesa, asked if there was a provision for termination of CSI if the Redevelopment Agency is unhappy. Executive Director Lamm responded there is a standard thirty day notice. There would not be expenses for travel and mileage as CSI is a local company. Planning and Redevelopment Manager Robinson stated the low number of responses to the Request for Proposal (RFP) was due to a variety of factors including workload. Nine RFPs were sent out. Three responses were received; one of which did not meet the requirements.

Robert Graham, 3260 Dakota Avenue, Costa Mesa, felt a disservice was being done without deciding on 19th Street going through to the beach and how it will affect redevelopment. Perhaps this is the time to do a formal study to look at what can be done to bring money in, to bring traffic in to support businesses, etc. Chairperson Monahan suggested if this is the consensus of the CRAC to make a recommendation to study this, it can be brought to the Redevelopment Agency. Agency Member Cowan reported she essentially said the same thing to Mr. Graham earlier. It will be up to the CRAC to pursue the matter.

Chairperson Monahan emphasized there are items that will require Redevelopment Agency/City Council action that will not wait for the CRAC, i.e., rezoning of the bluffs. Even though the projection is eighteen months to get to a Redevelopment Project Area, there are still many things going on within the City and the Westside.

MOTION Approved Carried A motion by Agency Member Cowan approving the professional services agreement for advisory services with Civic Solutions, Inc, and Budget Adjustment No. 02-400 in the amount of \$105,400, was seconded by Vice Chairperson Dixon. Agency Member Cowan said because of the amount of work called for, she believed the contract sum of \$105,400 was very reasonable, and fully supported it. The motion carried 4-0 (Agency Member Robinson absent).

REPORTS

Executive Director None.

Agency Attorney None.

WARRANT RESOLUTION CMRA-299 On a motion by Vice Chairperson Dixon, seconded by Agency Member Cowan, and carried 4-0 (Agency Member Robinson absent), Warrant Resolution CMRA-299 was approved.

ORAL COMMUNICATION

Eric Bever, 1046 Westward Way, Costa Mesa, voiced the Westside Improvement Association’s concern that items could be put on the “back-burner” by the City Council or Redevelopment Agency because the CRAC is involved. He referenced a staff report written by Planning and Redevelopment Manager Robinson dated January 11, 2002, suggesting the bluff rezoning perhaps be put off because of the concurrent CRAC. Action taken on the transition zone had unanimous support at first reading then turned 180 degrees at the second reading based on the concept of waiting for the CRAC. It would be burdensome to deal with political issues when certain improvements should be in the purview of the City Council.

C.K. Allen, 1967 Rosemary Place, Costa Mesa, congratulated Mr. Douglas and CSI. He felt they will earn every penny of the contract dealing with what is ahead.

Robert Graham, 3260 Dakota Avenue, Costa Mesa, said he had letters from Triangle Square and The Courtyards stating their businesses would improve if 19th Street was to go through. Chairperson Monahan responded it is known both projects are not fully leased but they are owned by private entities who have control over what is happening.

Martin Millard, 2973 Harbor Boulevard, No. 264, Costa Mesa, feels Triangle Square is not going to make it in the long run. He wondered if something would be gained to move City Hall to that location and sell the current premises to Vanguard University.

Tom Egan, 1893 Parkview Circle, Costa Mesa, observed Newport Boulevard is being considered for widening because there is so much traffic going pass Triangle Square currently. More traffic would only cause additional congestion.

AGENCY MEMBER COMMENTS AND SUGGESTIONS None.

ADJOURN

There being no further items for discussion, Chairperson Monahan adjourned the meeting at 7:40 p.m.