

REGULAR MEETING OF THE REDEVELOPMENT AGENCY

MAY 9, 2006

The Redevelopment Agency met in a regular meeting on Tuesday, May 9, 2006, in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. Chairperson Dixon called the meeting to order at 6:40 p.m. and led the Pledge of Allegiance to the Flag.

ROLL CALL

Agency Members Present: Chairperson Dixon
Vice-Chairperson Bever
Agency Member Foley
Agency Member Mansoor

Agency Members Absent: Agency Member Monahan

Officials Present: Executive Director Lamm
City Manager Roeder
Agency Attorney Hall-Barlow
Neighborhood Improvement Manager Ullman
Accounting Supervisor Young
Executive Secretary Rosales

POSTINGS

The Redevelopment Agency Meeting Agenda was posted at the City Council Chambers, Headquarters Police Department, Neighborhood Community Center, Postal Office and Mesa-Verde Public Library on Thursday, May 4, 2006.

MINUTES

On a motion by Agency Member Mansoor, seconded by Agency Member Bever, and carried 4-0, the minutes of February 14, 2006, were approved as presented. Agency Member Monahan absent.

PUBLIC COMMENT

Chairperson Dixon opened the session for public comment. There being none, the public comment session was closed.

AGENCY MEMBER COMMENTS AND SUGGESTIONS

None.

WARRANT RESOLUTIONS

Ratify CMRA-345 & CMRA-346; Approve CMRA-347.

Agency Member Mansoor made a motion to ratify Warrant Resolutions CMRA-345 and CMRA-346, and approve Warrant Resolution CMRA-347. The motion was seconded by Chairperson Dixon and carried 4-0.

OLD BUSINESS

None.

NEW BUSINESS

Consideration of Budget Adoption for Fiscal Year 2006-2007

Executive Director Lamm advised Agency Members that it was time to adopt the proposed \$3,875,000 Annual Budget for Fiscal Year 2006-2007. Mr. Lamm reported the Budget was in good and sound condition, as it projected revenues that exceeded proposed expenditures. In June 2006, the Agency's balance would be \$280,000 and in 2007, the balance would be \$410,000.

Mr. Lamm further reported that with 8 years remaining before the Agency terminated in 2014 (at which time the Project Area would be 40 years), it was in no position to secure long-term debt

financing. However, two, very small capital improvement projects were being proposed to assist the City: 1) \$190,000 to purchase City entry monument signs on Newport Boulevard to identify the new 19th Street medians and landscape area, and 2) an additional \$41,000 for Public Services to conduct asphalt repair and resurfacing of an old vehicle parking district (#2), located on the east side of Newport Blvd.

Mr. Lamm urged Agency Members to proceed forward and adopt the resolution approving the Budget for Fiscal Year 06-07 and advised that staff was on hand to answer questions.

Agency Member Mansoor referred to Page 2 of the staff report, section pertaining to full funding of the interest and principal, and posed two questions, 1) was the Agency paying back almost \$1.3 million to the City and 2) was the approximate amount owed by the Agency, to the City, known. Mr. Lamm responded that the \$1.3 million included payment towards the principal and interest on the total debt. He referred to Attachment 4 of the staff report and stated that the principal owed to the City, as of June 30, 2006, was \$12,180,685, with the City making an 8% fixed-interest return.

Agency Member Mansoor made the comment that the Agency had 8 years to pay. Mr. Lamm advised that by law, after 40 years, the Redevelopment Project Area would terminate in 2014. A future Agency could try to adopt another project area but based on experience, it was not likely. Agency Member Mansoor asked what would happen in 2014. Mr. Lamm responded that in 2014, the Downtown Project Area would cease to exist. Its sole purpose, from 2014 to 2024, would be to collect the annual tax increment and pay down any existing debt through 2024. Mr. Lamm reported the Agency also had other debts. The refunding tax allocation bonds that were financed years ago had a principal of \$6,565,000, leaving the Agency with a total debt of about \$19 million dollars (down from \$22 million). The Agency's projected annual income for 2006-2007 was over \$4 million dollars. The Agency was in good shape because it was taking in \$4 million a year and owed \$19 million that was scheduled to be paid off by 2024 at 8% a year.

Chairperson Dixon asked if any other projects had been considered. Mr. Lamm stated that the aforementioned projects included only the entry monument signs and the vehicle parking district, no landscaping. The Public Services Department had grant money for the Newport Boulevard Improvement Project and there was a short window of opportunity for matching dollars to place City entry signs in the medians located on northbound Newport and southbound at the Newport Freeway exit. Since it fell within in the Project Area and it was an eligible expense, it was decided to include the \$190,000 to the budget at the last minute, for Council to decide how to spend it. The \$41,000 for the vehicle parking district came to light a few weeks ago. The parking lot, owned by the Agency and located behind Goat Hill Tavern, was in need of repairs. Redevelopment Law mandates that in order to be reimbursed, agencies must budget the money first; therefore, Accounting Supervisor Young was able to include it in the Budget at the last minute.

City Manager Roeder amplified Mr. Lamm's comments by stating that the signs on Newport Boulevard, for the Downtown Area, were part of the overall Master Plan that had been adopted by a previous City Council. Since an upgrade, through grant funds that the current Council had accepted, would be taking place during widening and

parkway enhancements, it made sense to perform all projects together to avoid tearing down new infrastructure and install the entry signs after the fact. The Redevelopment Agency was combining with the City to complete an entire project correctly.

Chairperson Dixon felt both projects were necessary and that it was the Agency/City's goal to make Costa Mesa more pedestrian-friendly for shopping. Benches and/or water features could be placed along Newport Boulevard to make the area more inviting, which would not only attract business but increase the City's revenue as well. Chairperson Dixon encouraged the current Council to consider doing some of the enhancements if funds were available.

Mr. Roeder stated that street furniture, benches, trash containers and comprehensive street design for Newport Boulevard could be obtained with the grant funds that the City received. With regards to the Downtown street lights approved by the present Council, it was suggested that any opportunities identified between finalization, design and actual construction where the Agency could participate, be directed to Mr. Lamm to present to the Agency.

Chairperson Dixon opened the session for public session. There being none, she closed the public comment session.

Agency Member Mansoor brought forward a motion to approve the recommended action and adopt the resolution approving the proposed Budget of the Costa Mesa Redevelopment Agency for Fiscal Year 2006-07. The motion was seconded by Agency Member Bever and carried 4-0.

REPORTS

Agency Attorney None.

Executive Director None.

ADJOURNMENT

There being no further business for discussion, Chairperson Dixon adjourned the meeting at 6:50 p.m.