

**MINUTES OF THE SEPTEMBER 29, 2016 SPECIAL MEETING
OF THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF PALMDALE HELD AT THE
DEVELOPMENT SERVICES BUILDING
CONFERENCE ROOM
38250 SIERRA HIGHWAY
SPECIAL MEETING AGENDA NO. 25
3:00 P.M.**

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1. CALL TO ORDER.

Chair Purtee called the meeting to order at 3:07 p.m.

**2. ROLL CALL: CHAIR JAMES PURTEE, VICE CHAIR KARI BLACKBURN,
BOARD MEMBERS ED KNUDSON, KENNETH SCOTT,
JOHN BLALOCK, FORREST MCELROY, AND JOHN
WALKER**

PRESENT: Chair Purtee, Vice Chair Blackburn, Board Members Scott, McElroy and Blalock.

Absent: Board Members Knudson, and Walker.

The Board concurred and excused the absences of Board Members Knudson and Blalock

3. WAIVER OF FULL READING OF RESOLUTIONS.

Motion: Move to waive full reading of the Resolutions to be considered and voted on at this meeting.

Moved by Board Member Scott, seconded by Vice Chair Blackburn.

Vote: (5-0)

Yes: Chair Purtee, Vice Chair Blackburn, Board Members Scott, McElroy and Blalock.

Absent: Board Members Knudson, and Walker.

4. Consideration of the purchase of the following properties:

One (1) parcel located at 802 E. Avenue Q-6 in the City of Palmdale and described as Assessor Parcel Number 3008-034-901; One (1) parcel located at 819 East Avenue Q-9 in the City of Palmdale, and described as Assessor Parcel Number 3009-015-932; One (1) parcel in an area bounded by La Quinta Lane, Avenue O and Saint Andrews Way, in the City of Palmdale, and described as Assessor Parcel Number 3005-045-927; Two (2) parcels located on the Northeast Corner of Carriage Way and Avenue Q, in the City of Palmdale and described as Assessor Parcel Numbers 3003-002-917; and 3003-002-924; One (1) parcel located at 112 East Avenue Q-7 and described as Assessor Parcel Number 3008-035-903.

Items 4a through 4e were heard and voted on separately.

- 4a) ADOPT RESOLUTION NO. OB 2016-009, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING THE SALE OF CERTAIN REAL PROPERTY LOCATED AT 802 EAST AVENUE Q-6, PALMDALE, CALIFORNIA 93550 TO T & M INVESTMENT GROUP, LLC PURSUANT TO THE LONG RANGE PROPERTY MANAGEMENT PLAN, AND RELATED ACTIONS.

Chair Purtee spoke regarding Item 4a, Resolution OB 2016-009. He stated that the broker's opinion of value is \$20,000, and T&M Investment has offered \$20,000. T&M owns the adjacent property and wants to expand.

Motion: Move to adopt Resolution No. OB 2016-009.

Moved by Vice Chair Blackburn, seconded by Board Member Scott

Vote: (5-0)

Yes: Chair Purtee, Vice Chair Blackburn, Board Members Scott, McElroy and Blalock.

Absent: Board Members Knudson and Walker.

- 4b) ADOPT RESOLUTION NO. OB 2016-010, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING THE SALE OF CERTAIN REAL PROPERTY LOCATED IN THE FAIRWAY BUSINESS PARK, PALMDALE, CALIFORNIA 93551 TO MAURICIO E. HARRIE PURSUANT TO THE

LONG RANGE PROPERTY MANAGEMENT PLAN, AND RELATED ACTIONS.

As to Item 4b, Resolution No. OB 2016-010, Chair Purtee spoke stating that there had been an additional offer received since this item was taken to the Successor Agency, and stated he will walk the Board step-by-step through the process.

Fairway Business Park APN 3005-045-927 located on La Quinta Lane is between two existing structures. The offer received was for \$205,000, the broker's opinion of value is \$311,000; however another offer was recently received for \$276,000 which is closer to the broker's opinion of the value. Accepting the second offer would establish a comparable for the Business Park.

Member Blalock asked where the Business Park was located. Vice Chair Blackburn responded. Chair Purtee stated that the second offer is substantially higher than the first even though it is less than the broker's opinion of value.

Member Blalock asked if we vote against the Resolution, are we in the realm of authority to decline the offer. Chair Purtee stated that the Resolution/Offer must be approved by the Oversight Board before we can move forward. He stated that brokers are aware that properties are available, so there may be additional offers that come in that will get us closer to the broker's opinion of the value.

Member Blalock asked what the Successor Agency's role is in approval of the offer. Chair Purtee stated that the Successor Agency gave him approval to move forward. Member Scott asked if the City was actively listing the properties. Chair Purtee stated that the City has met with local brokers however, we have not put up any "for sale signs". There was additional discussion regarding the item among the Board members.

Member Scott asked if it would be possible to give authority to Chair Purtee to move forward with bidding so that Chair Purtee can bring the final offer before the Oversight Board. Chair Purtee stated that that would be a good idea especially with these intermittent meetings.

Public Comments: A woman (name unknown) spoke regarding low income properties.

Chair Purtee suggested that no action be taken on Item 4b. Member Blalock stated that the Board needs advice as to what options the Board has. He wants to feel comfortable that litigation is not an outcome of the rejection of the offer.

Member McElroy asked if there was no motion or second, would that be sufficient as far as taking no action. Chair Purtee state yes, that would be sufficient, we would be able to move forward.

Chair Purtee directed staff to bring back this item after conferring with legal counsel about the offers. Resolution No. OB 2016-010 was presented but no action was taken.

- 4c) ADOPT RESOLUTION NO. OB 2016-011, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING THE SALE OF CERTAIN REAL PROPERTY LOCATED IN THE ANTELOPE VALLEY AUTO MALL, PALMDALE, CALIFORNIA 93551 TO WILLIAM R. WAITE PURSUANT TO THE LONG RANGE PROPERTY MANAGEMENT PLAN, AND RELATED ACTIONS.

As to Item 4c, Resolution No. OB 2016-011, Chair Purtee spoke regarding this property. He stated that a second offer was received on this property as well. The property located at the Auto Mall is two parcels totaling 5.14 acres. The first offer received was roughly \$3.55/psf and the second offer was \$3.60/psf. The first offer was received from a developer interested in a mixed-use development, the second offer was from one of the current dealers at the auto mall and they are interested in expansion or putting up a new lot. Both offers presented have positive/negative aspects. Member Blalock recommended that staff take time to analyze the offers and bring them back after conferring with legal counsel. Resolution No. OB 2016-011 was presented but no action was taken.

- 4d) ADOPT RESOLUTION NO. OB 2016-012, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING THE SALE OF CERTAIN REAL PROPERTY LOCATED AT 112 EAST AVENUE Q-7 PALMDALE, CALIFORNIA 93550 TO MIN ZHAO PURSUANT TO THE LONG RANGE PROPERTY MANAGEMENT PLAN, AND RELATED ACTIONS.

As to Item 4d, Resolution No. OB 2016-012, Chair Purtee spoke regarding the sale of this item stated the property is located across the street from Unitas, and next to an existing furniture store. The broker's opinion of value is \$21,000, and the offer received was for \$19,000.

Member Blalock asked what the price per square foot was. Chair Purtee stated that the price per square foot was \$3.17. There was additional discussion regarding the size of the property. Member Blalock asked if we could submit a counter offer. Chair Purtee stated that we could counter, however, he believes this is a good deal, and it is the only offer we have received.

Motion: Move to adopt Resolution No. OB 2016-012.

Moved by Board Member Blalock, seconded by Board Member Scott

Vote: (5-0)

Yes: Chair Purtee, Vice Chair Blackburn, Board Members Scott, McElroy and Blalock.

Absent: Board Members Knudson and Walker.

- 4e) ADOPT RESOLUTION NO. OB 2016-014, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING THE SALE OF CERTAIN REAL PROPERTY LOCATED AT 819 EAST AVENUE Q-9, PALMDALE, CALIFORNIA 93550 TO THE AERO INSTITUTE PURSUANT TO THE LONG RANGE PROPERTY MANAGEMENT PLAN, AND RELATED ACTIONS.

As to Item 4e, Resolution No. OB 2016-014, Chair Purtee presented Resolution No. OB 2016-014. This property for sale is currently being leased by the AV Hispanic Chamber of Commerce and the Palmdale Chamber of Commerce. The broker's opinion of value is \$31,731 and we received an offer from the Aero Institute for \$35,000.

Member Blalock questioned the broker's opinion of value. Chair Purtee stated that the broker's opinion of value is based on the current lease values and improvements. Member Blalock asked what the square footage of the property was, and whether the City could purchase it. Chair Purtee stated that the property is approximately 1,300 square feet, and that while the City could purchase the property, it would take a substantial amount of money to do the improvements. Vice Chair Blackburn stated that the City of Palmdale would have access to the space on an "as-needed" basis. There was additional discussion.

Motion: Move to adopt Resolution No. OB 2016-014.

Moved by Board Member Scott, seconded by Board Member McElroy

Vote: (4-1)

Yes: Chair Purtee, Vice Chair Blackburn, Board Members Scott and McElroy

No: Board Member Blalock

Absent: Board Members Knudson and Walker.

5. Authorizing the conditional renegotiation of the terms of an existing loan to HIS & J Investments, LLC.

- 5a) ADOPT RESOLUTION NO. OB 2016-013, A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE AUTHORIZING THE CONDITIONAL RENEGOTIATION OF THE TERMS OF AN EXISTING LOAN TO HIS & J INVESTMENTS, LLC, AND RELATED ACTIONS.

Chair Purtee spoke regarding this item. This is not a land asset; it is a loan totaling approximately \$700,000. New owner has acquired the Kawasaki dealership for which the City holds a Promissory note. Chair Purtee discussed the following options regarding the Promissory Note/Loan: Subordination of the loan, continuation of the loan, and forgiveness of the loan. Chair Purtee stated that the Resolution before the Board gives authority to Chair Purtee to negotiate new terms. Chair Purtee stated that the Agency's ultimate goal is to be paid as we do not want to subordinate or forgive the loan.

Vice Chair Blackburn stated that the new buyer will be expanding the business. Member Blalock asked for more information regarding the item. Chair Purtee responded, and went over terms of the agreement. There was additional discussion by the Board regarding the agreement. Chair Purtee stated that the new owner is purchasing the name "Kawasaki" and the building but they cannot acquire the land until the loan is paid off.

Public Comments: A woman (name unknown) spoke regarding the Successor Agency.

Motion: Move to adopt Resolution No. OB 2016-013.

Moved by Board Member Scott, seconded by Board Member McElroy

Vote: (5-0)

Yes: Chair Purtee, Vice Chair Blackburn, Board Members Scott, McElroy and Blalock.

Absent: Board Members Knudson and Walker.

6. Approve the minutes from the July 25, 2016 meeting.

Motion: Move to approve the Minutes from the July 25, 2016 meeting

Moved by Board Member Scott, seconded by Vice Chair Blackburn

Vote: (5-0)

Yes: Chair Purtee, Vice Chair Blackburn, Board Members Scott, McElroy and Blalock.

Absent: Board Members Knudson and Walker.

7. **NON-AGENDA ITEM PUBLIC COMMENTS:**

Public Comments: A woman (name unknown) spoke regarding housing issues. Chair Purtee directed her to Neighborhood Services for assistance.

8. ADJOURNMENT.

Chair Purtee adjourned the meeting at 4:25 p.m.

PASSED, APPROVED, and ADOPTED this 1st day of December 2016.

James Purtee
Chair

ATTEST:

Rebecca J. Smith
Board Clerk