

SAN FERNANDO REDEVELOPMENT AGENCY

MINUTES

OCTOBER 16, 2006 - 6:00 P.M.

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REDEVELOPMENT AGENCY BOARD. AUDIO CASSETTE TAPES OF THE ACTUAL MEETING ARE AVAILABLE FOR LISTENING IN THE CITY CLERK'S OFFICE

CALL TO ORDER/ROLL CALL

City Council Presentations were made prior to the start of the Redevelopment Agency meeting.

Chair Nury Martinez called the meeting to order at 6:17 p.m.

The following persons were recorded as present:

PRESENT:

Agency: Chair Nury Martinez, Vice-Chair Julie Ruelas, Members Steven Veres, Dr. José Hernández, Maribel De La Torre

City Treasurer: Margarita Solis

Staff: José E. Pulido, Executive Director; Michael Estrada, City Attorney; and Elena G. Chávez, Secretary

APPROVAL OF AGENDA

Motion by Vice-Chair Ruelas, seconded by Member Hernandez, to approve the agenda. The motion carried unanimously.

PUBLIC STATEMENTS

None.

CONSENT CALENDAR

Motion by Member Hernández, seconded by Vice-Chair Ruelas, to approve the Consent Calendar items. The motion carried unanimously.

- 1) APPROVAL OF MINUTES OF:
 - A) SEPTEMBER 18, 2006 – REGULAR MEETING
 - B) OCTOBER 2, 2006 – REGULAR MEETING

- 2) APPROVAL OF RESOLUTION NO. 944 TO REIMBURSE THE CITY FOR REDEVELOPMENT EXPENSES

NEW BUSINESS

- 3) SITE PLAN REVIEW 2006-24; PROPOSED HOUSEHOLD GOODS STORAGE AND MOVING COMPANY AT 1700 FIRST STREET

Senior Planner Fred Ramirez presented the staff report.

Motion by Vice-Chair Ruelas, seconded by Member Hernández, to adopt a Resolution approving Site Plan Review 2006-24 allowing for the operation of a household goods storage and moving company within an existing 10,212 square foot industrial building at 1700 First Street within the M-2 (Light Industrial) zone and within Redevelopment Project Area No. 4, subject to conditions of approval. The motion carried unanimously.

- 4) SELECTION OF DISCLOSURE COUNSEL

Finance Director Lorena Quijano presented the staff report and stated that based on pricing, staff recommends approval of Fulbright & Jaworski L.L.P.

Motion by Vice-Chair Ruelas, seconded by Member Hernández, to select the firm of Fulbright & Jaworski L.L.P. as the Disclosure Counsel to assist with the upcoming bond issuance which will fund a portion of both the Aquatic Center and the City Yard. The motion carried unanimously.

PUBLIC HEARING

- 5) REDEVELOPMENT AND HOUSING IMPLEMENTATION PLAN FISCAL YEARS 2005/06- 2009/10

Chair Martinez declared the Public Hearing open.

Community Development Director Paul Deibel presented the staff report and responded to questions from Agency Members.

Chair Martinez called for public testimony, either in favor or opposed.

There being no comments, Chair Martinez closed the public portion of the Hearing.

Motion by Member Veres, seconded by Chair Martinez, to adopt a Resolution adopting the Redevelopment and Housing Implementation Plan Fiscal Years 2005/06- 2009/10.

Vice-Chair Ruelas requested an amendment to add (under Five-Year Implementation Plan Goals) *very low* to "...low- and moderate- income persons..."

The above motion and amendment carried unanimously.

6) DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) WITH CALMEX DEVELOPMENT, LLC AND WILSHIRE VENTURES CORP. FOR THE REDEVELOPMENT OF CITY PARKING LOTS NOS. 8 & 10

Chair Martinez reconvened the City Council meeting in order to proceed with a joint Public Hearing concerning the proposed Disposition and Development Agreement (DDA) with Calmex Development, LLC and Wilshire Ventures for the City Parking Lots Nos. 8 & 10.

Senior Planner Fred Ramirez gave an overview with a slide presentation of the project and Mr. Pulido gave a rundown of the financials.

Members requested to defer their comments/questions at this time.

Chair Martinez declared the Public Hearing open and asked if there were audience members who wished to speak in favor of the project.

There being none, she called for comments in opposition of the project.

Tom Ross, spokesman for the San Fernando Downtown Association, said that in concept, they are in favor but would like to meet with the developer and the City to talk about their concerns and open up communications.

Severyn Aszkenazy, 601 S. Brand Blvd., stated that it is unfortunate that they did not have the opportunity to have this done in a workshop environment with community outreach, is concerned that this is not the right project, it's complicated, problematic, and said that it will negatively impact the City and community.

Adriana Gomez, 615 No. Workman, stated that Mr. Fainchtein is not a developer but a sales agent with a restricted license who's had lawsuits filed against him, judgments and companies suspended and said what does this say about the integrity of the person the City is relying upon. She said that there have been no meetings and no outreach and asked where is due diligence.

Ernesto Hernández, move-in manager of San Fernando senior housing sub-site two (333 So. Kalisher St.) showed pictures (open trash containers, broken signs, awnings in disrepair, pigeon droppings) of the Value Plus store and the Mission Plaza shopping center, and the fence (enclosing the railroad tracks) that is in disrepair. He asked why would the City want to have someone that creates projects like these in our downtown for future generations to deal with.

Cesar Cano, 600 N. Huntington, Parks & Recreation Commissioner, said he can support the right development if it's smart and well thought out but believes that this one will fail because of the

parking situation. He talked about the Mission Plaza development, lack of parking and how the process is flawed.

Richard Garland, 16787 Beach Blvd., Huntington Beach, traffic and parking consultant, stated that he was asked to conduct an independent analysis of the parking conditions at the Plaza del Sol development and said that in his opinion, the parking situation as currently proposed, would have a severe parking deficiency which would result in a significant adverse impact.

Ian Fitzsimmons, 601 So. Brand Blvd., said that as a concept, he likes the project however wonders if the City considered the impact of the deficient parking. He stated that Mission Plaza has been around for 16 years and has been under parked by 30 spaces and said that causes problems such as vacancies, blight, and impacts other businesses.

Damon Porter, representing the ownership of 1100 Truman (corner of Truman at Maclay), reported that they have been working with the City to produce a project of mixed use nature and they hope to be treated fairly as Wilshire Ventures.

Martha Diaz, 601 S. Brand Blvd., Pueblo Contracting Services, Inc., President, said that this project does not have enough parking, believes that Mr. Fainchtein does not have the experience to pull off the proposed development, and said that this decision will have a devastating impact on the City's future growth.

Ricardo Buhain, 451 So. Brand Blvd., local business owner and member of Future Growth and Development Committee of Southland Regional Association of Realtors, said that parking is a concern and whether this development has the best interest of the City.

Karen Nichols, 464 Griswold Ave., resident since 1947, stated that the parking lot is not underutilized (drives by it daily) and she said that the traffic is bad in the area of Celis and Brand streets and she will now have to compete with the residents of that new community.

Mike Perez, 709 Fourth St., said that he likes the improvements going on except that this project/building is too tall and runs the risk of looking like a fort.

Before Chair Martinez closed the Hearing, Atty. Estrada said that it would be appropriate to allow the developer to respond to the comments made.

Enrique Fainchtein stated that he began his professional career in real estate in 1958 and has developed nearly 2,000 buildings. For this project, he has put together a team (including a prominent architectural firm and experienced general contractor) that will make this City proud. He reported that there is not one single case against him that can prove he embezzled or did anything wrong. He talked about projects that the developer who was bringing accusations against him has done including one that was shut down because people were seriously injured and another which is not in compliance with the ADA. He reported that the City is not giving

him a single dime, his team has been working closely with staff, this project complies with all parking requirements and will include 105 parking spaces that will be open to the public (the City will be collecting meter fees).

Gustav Soderbergh, Van Tilburg, Banvard & Soderbergh, project architects, made a few clarifications including the colors of the computer rendering and said that the highest point on the corner tower is 75 feet tall but the building is 60 feet high on the Celis St. side and 50 feet on the Pico St. side.

Larry Hoffman, Fassberg Construction, stated that they are a large general contractor and has worked with Mr. Fainchtein and Van Tilburg Architects and said that this project will be very positive one for the City.

There being no further comments, Chair Martinez closed the public portion of the Hearing.

Staff, Antonio Coco (Principal of Coco Traffic Planners, Inc.), and Mr. Hoffman responded to questions from Agency Members.

Atty. Estrada reported that if there is a motion to approve the project (via adoption of the joint resolution) that it could be done subject to whatever additional conditions Members articulate.

Mr. Fainchtein proposed that a list be made of the things we want to incorporate in the DDA so we could at least agree on the basic issues that will have to be modified.

Chair Martinez stated that her concerns were to:

- 1) Incorporate some of the elements in the PLA (including that the developer make an effort at local hiring and local suppliers); and
- 2) Continue dialogue with the Downtown Business Association in terms of workshops, input on design, and parking issues.

Member De La Torre wants to make sure that:

- 1) Escrow and title companies be changed to agencies in the San Fernando Valley (if there is an escrow company in the City that can handle the matter, that we give it to that company);
- 2) If the live/work spaces are converted to office spaces, that the project absorb (on site) any additional parking spaces that may be needed;
- 3) Any requirement after the Certificate of Completion to rent out the units that conform to any insurance requirements under the Home Owner's Association with respect to owner occupied units to rental units; and

- 4) That any deferred fees have a cap that must be paid due and payable at 60 months (not 84 months).

Member Veres added:

- 1) Separate Quimby fees (should not be deferred and should be considered upon completion of the project); and
- 2) Does not believe that the 18 curbside parking spaces should be included (were assigned to the downtown space already) but can be made up through the in-lieu of fees.

Chair Martinez said that she wants to move forward if those recommendations are accepted by the developer or at least he is willing to negotiate?

Mr. Fainchtein replied “yes”.

Motion by Member Hernández, seconded by Chair Martinez, that the Redevelopment Agency adopt “A Joint Resolution of the San Fernando Redevelopment Agency and the City of San Fernando Making Certain Findings, Adopting a Mitigated Negative Declaration, Approving a Disposition and Development Agreement between the San Fernando Redevelopment Agency and Calmex Development, LLC and Wilshire Ventures Corp, a Joint Venture, Authorizing the Grant by the City to the Developer of a Subsurface Easement for a Parking Structure and Sale of Certain City-owned Property to the Agency, and Authorizing the Sale of Such Property to the Developer, subject to the additional conditions articulated by Chair Martinez and Members De La Torre and Veres.

The motion carried with the following vote:

AYES: Hernández, Martinez, Ruelas, De La Torre – 4
NOES: Veres – 1

RECESS REDEVELOPMENT AGENCY MEETING (10:28 P.M.)

Chair Martinez recessed the Redevelopment Agency meeting and the Parking Authority meeting was called to order.

RECONVENE (10:30 P.M.)

At this time, the Chair Martinez reconvened the Redevelopment Agency meeting.

AGENCY BOARD MEMBER ITEMS

7) **REQUEST FOR AN OWNER PARTICIPATION AGREEMENT AND LAND ASSEMBLAGE – 1300 SAN FERNANDO ROAD**

Member Veres said he was curious as to why this can't be added to the workload, asked if this had potential and the opportunity to begin discussions, and suggested that a decision be made at the administrator level.

Mr. Pulido stated that staff does not have authority but could be provided direction and would follow up as needed but the way the proposal was submitted, it was not workable.

Member Hernández said that there has been criticism regarding unfinished projects and he is not ready to consider starting any other major project in the near future.

In response to Member De La Torre's question, Atty. Estrada reported that there is a process to be followed and the Agency can not reach an agreement with the first property owner until owner participation rights have been extended to the second property owner.

Chair Martinez concurs with Member Hernández and stated that there are currently many projects going on (i.e., Aquatics Center, Heritage Park) and would rather wait until they are completed.

Member De La Torre wants to make sure that we do not expose ourselves to another law suit because we're not responding appropriately.

In response to Chair Martinez' concern, Atty. Estrada said that because this request includes a third party ownership/development, he does not believe there are ramifications to not moving forward tonight and the Agency has the right to say "no" to the proposal the way it currently written. He offered a couple of suggestions including (at some point in the future) possibly holding a Study Session or to have staff report back with some recommendation.

Motion by Member Veres, seconded by Member De La Torre, to move forward and have a response from staff to begin the process of dealing with this property. The motion failed with the following vote:

AYES: Veres, De La Torre – 2
NOES: Hernández, Martinez, Ruelas – 3

AGENCY DISCUSSION

Vice-Chair Ruelas asked that in the future, Chair Martinez consider limiting Members' speaking time.

In response to Member Veres' question, Atty. Estrada said that there are some reasonable limitations that can be imposed but we need to be careful when limiting Members opportunity to speak.

STAFF COMMUNICATION

None.

ADJOURNMENT (10:47 P.M.)

Motion by Member Hernández, seconded by Vice-Chair Ruelas, to adjourn. The motion carried unanimously.