

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE ONTARIO REDEVELOPMENT AGENCY**

AGENDA

THURSDAY, JUNE 28, 2012 AT 10:00 AM

**COMMUNITY CONFERENCE ROOMS #1 & #2
CITY HALL, 303 EAST "B" STREET, ONTARIO, CA, 91764**

Call to order:

Roll Call

Pledge of Allegiance

Public Comment

1. Approval of Minutes for the Regular Meeting of May 24, 2012
2. A Resolution Approving the Sale of Real Property from the City of Ontario to Westates De Oro, LLC.

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE ONTARIO
REDEVELOPMENT AGENCY APPROVING THE SALE OF
REAL PROPERTY OWNED BY THE CITY OF ONTARIO TO
WESTATES DE ORO, LLC.

3. Oversight Board Member Comments
4. Adjournment

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE ONTARIO REDEVELOPMENT AGENCY**

MINUTES

THURSDAY, MAY 24, 2012

(Not Official until approved)

A meeting of the Oversight Board of the Successor Agency to the Ontario Redevelopment Agency was held on Thursday, May 24, 2012 in the Community Conference Rooms at Ontario City Hall, 303 East "B" Street, Ontario, CA.

Notice of said meeting was duly given in the time and manner prescribed by law.

1. CALL TO ORDER

Chairman Al Boling called the Oversight Board Meeting to order at 10:03 a.m., and requested the Deputy City Clerk to call the roll.

PRESENT: Board Members: Al Boling, Alex Espinoza, Gene Koopman, Mary Jane Olhasso, Jamie Richardson, and Anita Undercoffer

ABSENT: Board Members: Don Bertucci

Also present were: Economic Development Director John Andrews, Legal Counsel to the Successor Agency Elizabeth Hull, Redevelopment Manager Charity Hernandez and Deputy City Clerk Eva Buice.

The Pledge of Allegiance was led by Chairman Boling.

2. PUBLIC COMMENTS

None.

3. OVERSIGHT BOARD MEMBER COMMENTS

Chairman Boling reported this section had been added to the regular meeting agenda for Board Members to provide an opportunity for comments on items that are not agendized.

Board Member Espinoza reported on the Esperanza Scholarship event at which scholarships were awarded to over 65 scholars.

Board Member Undercoffer reported that she recently attended a state budget workshop which made her aware of how Redevelopment Agency funds affected the community colleges, and commented on the importance of not overestimating the Recognized Obligation Payment Schedule (“ROPS”) because it could affect funds available to the community colleges, which are having trouble balancing their budgets.

4. APPROVAL OF MINUTES

Economic Development Director Andrews reported that revised draft minutes from the Special Meeting of May 17, 2012 had been provided to the Board Members reflecting a typographical error and revisions to correctly identify Vice Chair Olhasso’s recommendations.

MOTION: Moved by Vice Chair Olhasso, seconded by Board Member Espinoza to approve the minutes as revised. The foregoing motion carried by unanimous vote with Bertucci absent.

5. ITEMS OF DISCUSSION / ACTION:

That the Oversight Board of the Successor Agency to the dissolved Ontario Redevelopment Agency adopt a Resolution approving the Successor Agency’s administrative budget pursuant to Health and Safety Code section 34177 (j).

Economic Development Director Andrews reported one of the initiating tasks of the Oversight Board of the Successor Agency to the Ontario Redevelopment Agency is approval of an administrative budget. He stated the information provided is staff’s best effort of what staff believes is the necessary administrative efforts going forward and supporting material will be submitted to the county auditor and the State Department of Finance.

Board Member Undercoffer questioned the Administration amount on the Recognized Obligation Payments (ROPS) of \$1.3 million; why \$1.3 million was requested on the ROPS when the budget reflects \$450,000; and whether the amount was 5% of the ROPS total amount.

Economic Development Director Andrews reported the ROPS Administration amount was calculated as a percentage basis. At the time of the initial preparation of the ROPS, there was limited time prior to the submittal deadline.

Going forward, the budget will reflect costs necessary to carry out AB26 dissolution plus a 3% administrative fee.

Vice Chair Olhasso stated the Department of Finance has pushed a lot of direct line items in the ROPS into the administrative section; and she was more comfortable having greater flexibility in the administrative budget allocation.

Economic Development Director Andrews reported that the ROPS had been transmitted along with the draft minutes of the prior meeting to the State Department of Finance on Tuesday, May 22, 2012.

Redevelopment Manager Hernandez reported once the approved minutes from May 17, 2012 have been finalized they will be forwarded to the State Department of Finance as an update.

MOTION: Moved by Vice Chair Olhasso, seconded by Board Member Undercoffer to adopt Resolution No. OOB-007 approving the Successor Agency's administrative budget pursuant to Health and Safety Code section 34177 (j). The foregoing motion carried by unanimous vote with Bertucci absent.

RESOLUTION NO. OOB-007

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED ONTARIO REDEVELOPMENT AGENCY, APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

6. ADJOURNMENT

Chairman Boling adjourned the Oversight Board meeting at 10:15 a.m. to the next regularly scheduled meeting of June 28, 2012.

Respectfully submitted:

OVERSIGHT BOARD SECRETARY

APPROVED:

AL C. BOLING, CHAIRMAN
ONTARIO OVERSIGHT BOARD

**OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY
TO THE ONTARIO REDEVELOPMENT AGENCY**

*STAFF REPORT
AGENDA ITEM 2*

Meeting Date: June 28, 2012

Subject: Approval of the Sale of Real Property from the City of Ontario to Westates De Oro, LLC.

Recommended Action:

That the Oversight Board of the Successor Agency to the Ontario Redevelopment Agency adopt a Resolution approving the sale of real property owned by the City of Ontario to Westates De Oro, LLC.

Background:

Pursuant to a Cooperation Agreement (“Agreement”) by and between the City of Ontario (“City”) and the Ontario Redevelopment Agency (“Agency”), dated February 15, 2012, the Agency conveyed approximately 1.23 acres of real property located at the southeast corner of Euclid Avenue and Holt Boulevard, also known as assessor parcel numbers 1049-061-01, 02, and 03 (“Property”) to the City. On January 30, 2012, the City then entered into a Disposition and Development Agreement (“DDA”) for the sale of the Property, at fair market value, with Westates De Oro, LLC. (“Developer”). The Developer is required under the terms of the DDA to close escrow on the property and develop the site as a three-story office building together with all associated on-site landscape, hardscape and parking improvements within twenty four (24) months. The City believes the transaction to be consistent with the law at the time of the conveyance by the Agency and is prepared to go forward with the transaction. Although Staff does not believe it is required, the title insurer on the transaction has requested that the City bring the transaction forward for your consent. Health and Safety Code Section 34167.5 provides that the California State Controller may direct a public agency to return an asset to the former redevelopment agency if a transfer occurred after January 1, 2011, unless the asset has subsequently been contractually committed to a third party. In this case the asset, the land, has been contractually committed to a third party, it is outside of Assembly Bill 1X 26 and therefore staff believes the transaction should proceed. In an effort to appease the title insurer, in light of the uncertainties surrounding Assembly Bill 1X 26 implementation, staff is bringing this item forward for your consent to the sale of the property to the Developer.

Fiscal Impact:

The City will convey to the Developer the Property subject to the terms and conditions precedent to the close of escrow as contained in the Disposition and Development Agreement.

RESOLUTION NO. ____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ONTARIO REDEVELOPMENT AGENCY APPROVING THE SALE OF REAL PROPERTY OWNED BY THE CITY OF ONTARIO TO WESTATES DE ORO, LLC

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Ontario (“City”) is the successor agency to the former Ontario Redevelopment Agency (“Agency”); and

WHEREAS, pursuant to Health and Safety Code section 34179(a), the Oversight Board is the Successor Agency’s oversight board; and

WHEREAS, the City is the owner of certain real property bounded by Holt Boulevard on the north, Euclid Avenue on the west, Transit Street on the south, and Lemon Avenue on the east, in the City of Ontario, County of San Bernardino, State of California (“Property”), which is public property and site dedicated to a public use; and

WHEREAS, the City wishes to sell the Property to Westates De Oro, LLC, a California limited liability company (“Developer”), and Developer wishes to purchase the Property; and

WHEREAS, Developer desires to redevelop the Property as a three (3)-story commercial office building totaling approximately fifty-seven thousand nine hundred thirty (57,930) square feet, designed and constructed around an outdoor plaza, including certain on- and off-site improvements (“Project”); and

WHEREAS, the construction of the Project will allow the Property to be utilized in a manner that benefits and serves the needs of the community; and

WHEREAS, for the purpose of transferring the Property to Developer and setting forth the terms and conditions by which Developer will construction the Project on the Property, Developer and City have negotiated that certain Disposition and Development Agreement (Westates De Oro) (“Agreement”); and

WHEREAS, the City Council previously adopted Resolution No. 2012-009 pursuant to California Government Code sections 37420 through 37430, which authorizes alternative methods for the City to sell the Property, in which the City Council, among other things, set forth its findings and intention to sell the Property and thereafter held a public hearing to hear protests to the sale; and

WHEREAS, although approval of the Oversight Board is not required in order for City to sell the Property to Developer, at the request of the City’s title insurance company the City has requested that the Oversight Board approve the sale of the Property to Developer.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE ONTARIO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AND FIND AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The City of Ontario has previously determined that there is no possibility that the proposed sale of the Property will have a significant adverse effect on the environment and that the adoption of this Resolution is therefore categorically exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Sections 15305 and 15332 of the CEQA guidelines.

Section 3. Approval of Property Transfer. The Oversight Board hereby approves the transfer of the Property from the City to Westates De Oro.

Section 4. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 5. Certification. The City Clerk of the City of Ontario, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

Section 6. Effective Date. Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

APPROVED AND ADOPTED THIS ____ day of _____, 2012.

Chairperson
Oversight Board of the Successor Agency to
the Ontario Redevelopment Agency

ATTEST:

City Clerk
Acting Ex Officio as Secretary to the
Oversight Board of the Successor Agency
to the Ontario Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF ONTARIO)

I, _____, City Clerk of the City of Ontario, acting ex officio as the Secretary of the Oversight Board of the Successor Agency to the Ontario Redevelopment Agency, do hereby certify that the foregoing Resolution No. ____ was duly and regularly adopted by the Oversight Board of the Successor Agency to the Ontario Redevelopment Agency at a regular meeting thereof on the _____ day of _____, 2012, and that the same was passed and adopted by the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk
Acting Ex Officio as Secretary to the
Oversight Board of the Successor Agency
to the Ontario Redevelopment Agency