MINUTES of a regular meeting of the Redevelopment Agency of the City of Redlands held in the Council Chambers, Safety Hall, 212 Brookside Avenue, on December 7, 1976, at 4:10 P.M.

PRESENT

Charles G. DeMirjyn, Chairman
Chresten M. Knudsen, Vice Chairman
Ellsworth E. Miller, Member
Bertha Rose Grace, Member
Warren R. Elliott, Member

Robert H. Mitchell, Acting Executive Director
Edward F. Taylor, City Attorney
Peggy A. Moseley, Secretary
Erwin S. Hein, Redlands Daily Facts
Pat Sheeran, San Bernardino Sun

ABSENT

None

The minutes of the regular meeting of October 19, 1976, were not presented for approval.

Sale-Leaseback Agreement

Mr. Mitchell stated that before going into the scheduled agenda, he would like to bring before the Agency members a letter from the Ernest W. Hahn Corporation requesting that the Agency approve a Sale-Leaseback agreement of the Redlands Shopping Center, between the developer, Redlands Mall Associates, and the Huntington Land Company with respect to parcels 1, 2, and 5 of the Redevelopment Project Area. Mr. Mitchell reminded the members that they had been briefed on this matter previously; he added that Mr. Taylor had prepared a resolution for adoption by the Agency.

Attorney Taylor explained that this resolution would place the same obligation on the Huntington Land Company as had applied to the Redlands Mall Associates under the requirments of the Disposition and Development Agreement and Implementation Agreement (D.D.A.). Mr. Taylor stated that the

Hahn letter dated November 30, 1976, is incorporated in the resolution by reference, and recommended that a further paragraph be added to the resolution requiring that all documents be subject to the approval of the Acting Director and the Agency Attorney.

Mr. Taylor further explained that the Sale-Leaseback documents are not presently available as they are being prepared by two groups of attorneys - those of the Hahn Corporation and those of the Huntington Land Company. He further clarified that these documents would carry a shifting of responsibility to the Huntington Land Company which will purchase the mall; lease it back to the Redlands Mall Associates for completion; and then take the property back when completion on construction is accomplished and the center is in full operation.

Mr. Al Young restated the concept of the Sale-Leaseback between the Redlands Mall Associates and the Huntington Land Company. He added that section 315 of the D.D.A. requires Agency approval of this sale.

Questions from the Agency members were answered. Mr. Mitchell stated that a financial report of the Huntington Land Company was extremely favorable.

Mrs. Grace reminded the Agency members of the necessity to accomplish transfer of the property north of Redlands Boulevard to the Redlands Mall Associates in order that this property be placed back on the tax roll; she added that the developer has obligations which she feels should be completed simultaneously with the Agency approval of the Sale-Leaseback in Resolution No. 153.

Mr. Knudsen agreed that he wished to see the best possible use of this property north of Redlands Boulevard. He then moved for adoption of Resolution No. 153, a resolution of the Redevelopment Agency of the City of Redlands approving the Sale-Leaseback agreement between Redlands Mall Associates and Huntington Land Company, provided that by December 24th, the Agency would receive a full cost accounting of the underground garage; that each party pay to the other party the amount owed; that the property north of Redlands Boulevard be transferred to Redlands Mall Associates and so recorded; and inclusion in Resolution No. 153 of the requirement for further approval by the Acting Redevelopment Executive Director and the Agency Attorney of all documents. The motion was seconded by Mrs. Grace and unanimously adopted.

Resolution No. 153
Sale-Leaseback Agreement

Refunding Bonds

Mr. Mitchell introduced Mr. Robert G. Bulot of Stone and Youngberg, financial consultants, who brought two estimates of savings and costs which could be accrued by issuance of refunding bonds.

Following discussion and questions, on motion of Member Knudsen, seconded by Member Miller, Mr. Bulot was authorized to proceed on the foreshortened schedule which, with an assumed 6-3/4% interest rate, would develop a savings of $290,000.00 to the Agency. Mr. Bulot added that with the present bond market, it might be possible to sell at an interest rate of 6-1/2%.

Legal Services

On motion of Member Miller, seconded by Member Elliott, the Agency elected to retain the services of legal firm Rutan & Tucker, jointly with the law firm of Orrick, Herrington, Rowley & Sutcliffe, for this sale.

Mr. Mitchell then presented a statement to be included in these minutes to clarify the Agency minutes of February 17, 1976, as follows:

Clarification Of Minutes (2/17/76)

"The parcels referred to in the February 17, 1976 minutes were those originally deeded to Connors and Associates, subsequently deeded to R-J Investments. The property was deeded back to the Redevelopment Agency on 23 July 1976. The concern expressed by Mr. Knudsen was that the parcels would be off the tax roll for the period of 23 July 1976 until deeded back to the developer; thereby causing a tax loss to the Agency. To preclude this loss, a letter dated February 27, 1976, was obtained from R-J Investments stating that they would assume pecuniary liability up to an amount of $25,000.00 for any tax loss to the Agency during the period when the parcels were transferred to the Agency and back to the developer. The Staff is now working with the assessor to correct tax bills and to reconcile any payments due to Agency under the R-J Investments letter of February 27, 1976."

On motion of Member Miller, seconded by Member Knudsen, this statement of clarification was ordered incorporated in the minutes of this date. This was approved unanimously.

There being no further business, the Redevelopment Agency adjourned, on motion, at 4:45 P.M.

Next regular meeting, December 21, 1976.

Attest:

Peggy A. Mosley — Secretary

Chairman of the Redevelopment Agency

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