

MINUTES

of a special meeting of the Redevelopment Agency of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, at 9:00 A.M. on March 7, 1995.

PRESENT

Swen Larson, Chairman
Jim Foster, Vice Chairman
William E. Cunningham, Member
Gilberto Gil, Member
Pat Gilbreath, Member

Gary M. Luebbers, Executive Director
Daniel J. McHugh, Agency Attorney
Lorrie Poyzer, Agency Secretary
Ted Thomaidis, Redlands Daily Facts
Steven Church, The Sun

ABSENT

None

Redevelopment Agency Workshop - Administrative Services Director Pettus reported several questions and issues have been raised recently regarding the status of the Redevelopment Agency. In addition, it was discovered that each course of action has the potential to impact decision on the sale of property, development and/or housing programs. Mr. Stephen Deitsch, special counsel with Best, Best and Krieger, provided an overview on redevelopment discussing the expiration of the Agency's plan and options and powers following termination of the plan. He also addressed legal issues concerning the sale of property, housing, and the AB 1290 report requirements. Finance Director Steven M. Chapman provided an analysis of tax increment receipts and projections, debt service obligations, and the subsidy the Redevelopment Agency receives from the City's General Fund. Board members desired more information such as revenue projections if the Plan is expanded, modified, or terminated and the status of set-aside funds.

Civic Center Disposition - Administrative Services Director Pettus reported the City of Redlands Redevelopment Agency acquired the Redlands Plaza on December 1, 1977, for \$2,000,000.00. The Plaza housed a variety of commercial and office uses which provided tenant income to the Redevelopment Agency. Redevelopment Agency administrative officers were also located in the facility. As City office needs increased and tenant leases expired, City departments were relocated to the Plaza. In July, 1994, all City administrative offices and the City Council Chambers were located in the Redlands Plaza which was then renamed Civic Center. The City pays rent to the Redevelopment Agency each year. The 1994-95 budget calls for a total rent payment of \$358,589.00. In an effort to eliminate this general fund rental payment and continue with the disposition of Redevelopment Agency assets, staff examined a number of alternatives. Two options (direct sale and bond

issuance) were deemed infeasible due to financial and legal constraints. Two alternates remain:

1. Donation -- The Redevelopment Agency can donate the property to the City of Redlands for use as a public facility. This would entail a public hearing during which the Redevelopment Agency Board would make findings pertinent to the use of the property and elimination of blight.
2. Trade City Property - With this alternative, all City-owned housing and other miscellaneous properties would be given to the Redevelopment Agency in exchange. The City housing units (in "as is" condition) and vacant land have an estimated value of \$1,000,000.00 to \$1,250,000.00. The Redlands Plaza was appraised for \$4,500,000.00 by Gerald Stafford in October 1994.

Mr. Cunningham indicated he would like to explore the donation option and asked if there was some way the City's General Fund could assume the Redevelopment Agency debt for amortization over the Utilities Fund. Mr. Foster was opposed to giving away the Redevelopment Agency assets and writing off its debt. Mrs. Gilbreath wanted to explore the donation option. Mr. Gil asked about the effect this would have on development impact fees. Mayor Larson wanted a cost analysis of all options. An in depth study will be prepared for a future meeting.

The meeting briefly recessed at 10:10 A.M. and reconvened at 10:18 A.M. and discussed City-owned housing (See City Council minutes dated March 7, 1995.)

ADJOURNMENT

There being no further business, the Redevelopment Agency meeting adjourned at 10:18 A.M. The next regular meeting will be held on March 7, 1995, at 3:00 P.M. or as soon thereafter as City Council business permits.

Secretary