

MINUTES of a regular meeting of the Board of Directors of the Redevelopment Agency of the City of Redlands held in the City Council Chambers, Civic Center, 35 Cajon Street, at 5:28 P.M. on October 21, 2003.

PRESENT Karl N. (Kasey) Haws, Chairman
Susan Peppler, Vice Chairman
Pat Gilbreath, Member
Gary George, Member
Jon Harrison, Member

ABSENT None

STAFF John Davidson, Executive Director; Daniel J. McHugh, Agency Attorney; Jeffrey L. Shaw, Community Development Director; James R. Bueermann, Police Chief; and Beatrice Sanchez, Acting Agency Secretary.

The minutes of the regular meeting of October 7, 2003, were unanimously approved as submitted on motion of Mrs. Gilbreath, seconded by Mrs. Peppler.

JOINT MEETING - REDEVELOPMENT AGENCY, REDLANDS FINANCING AUTHORITY AND CITY COUNCIL

From the audience, Finance Director Kundig introduced Marshal Linn, President, Urban Futures, Inc.; Robert Porr, Sr. Vice President, O'Connor Southwest Securities; and John Rottschaefer, Bond Counsel. Finance Director Kundig then explained that the purpose of the Redevelopment Agency Tax Allocation bond issue is to take advantage of the low rates available in today's financial market and to allow the Agency to generate funds for needed capital improvements in the Project Area; maximize proceeds to meet anticipated expenditures in connection with the Redevelopment Plan; and generate proceeds to meet anticipated expenses for projects associated with low and moderate income housing needs. In order to sell the Redevelopment Agency's proposed Tax Allocation Bonds Series 2003A on a negotiated basis, it will be necessary for the Redlands Financing Authority to purchase the bonds from the Redevelopment Agency. The Redlands Financing Authority will immediately sell the bonds to the underwriter, O'Connor Southwest Securities, Inc. Based on Fiscal Year 2003-04 San Bernardino County Tax Roll and projections of anticipated growth within the Project Area, the Redevelopment Agency could issue \$16,895,000 of Tax Allocation Bonds, with an underwriter's discount of not more than 1.5 percent of the principal amount of bonds. The Agency will have immediate access to approximately \$5.1 million of the proceeds for non-housing related projects. Approximately another \$2.1 million will be placed in an escrow account which will be released over the next two years, as the assessed valuation in the Project Area increases. Additionally, the Agency will have immediate access to approximately \$7.8 million in proceeds that can be used for low and moderate-income housing-related purposes. The Tax Allocation Bonds Series 2003A will be issued on a parity basis with the Agency 1998 Tax Allocation Bond Issue and will have an equal right to tax increments

generated in the Project Area. By escrowing a small portion of the bonds' proceeds, the Agency will achieve significant cost savings by not paying additional cost of issuance for a near-term new-money issuance in the future. With long and short-term bond rates at a 25-year low, the Agency can access the market place and expect to pay between 4.80 percent and 5.15 percent on its term bonds. Mrs. Gilbreath inquired if there are any projects in mind for the issuance of the bonds. City Manager Davidson listed a parking structure, hotel and the expansion of infrastructure. Mrs. Gilbreath expressed concern that the City does not have a definite plan but we are incurring debt. Chairman Haws stated that if funding is in place we are better able to make plans for the area. Mr. Harrison moved to approved Resolution No. 366, a resolution of the Board of Directors of the Redevelopment Agency approving the issuance of Redlands Redevelopment Project Tax Allocation Bonds, Series 2003A, by the Redevelopment Agency, approving a first supplement to indenture, an official statement, a bond purchase agreement setting the maximum final terms of the sale of bonds, and making certain determinations related thereto. Motion seconded by Mr. George and carried with Mrs. Gilbreath voting NO. (Also see Redlands Financing Authority and City Council minutes dated October 21, 2003.)

Chairman Haws called for a recess at 5:43 PM. The meeting reconvened at 5:49 PM

NEW BUSINESS

Public Parking Facility in the Core Block - Community Development Director Shaw reported the Redevelopment Agency adopted a Five-Year Implementation Plan identifying future programs and expenditures that implement the Agency's goals and objectives. The parking structure project was included in the Plan and this project was reaffirmed during our mid-term review at the Redevelopment Agency meeting of September 16, 2003. The Redevelopment Agency also previously approved a development strategy and planning project in cooperation with the Redlands Chamber of Commerce for the core block -- generally bounded by Pearl Avenue, Orange Street, Redlands Boulevard and Eureka Street -- in downtown Redlands. The Economic Development Advisor and staff are recommending that the current work on the Core Block be immediately expanded to include predevelopment planning and engineering for a new public parking garage. This work would be performed under the auspices of the Redlands Chamber of Commerce's Core Block project. Staff is also proposing that the cost of this work -- estimated to be approximately \$40,000.00 be funded by the Redevelopment Agency. Other stakeholders in the Core Block, such as Krikorian Theatres, may be willing to participate in this planning and engineering effort that could reduce the Agency's financial commitment. Agency members then had a discussion on pedestrian traffic between the movie theatre and State Street. On motion of Mrs. Gilbreath, seconded by Mrs. Pepler, the Agency unanimously authorized the Executive Director to amend the Agency's Core Block Development Strategy Agreement with the Redlands Chamber of Commerce to include

predevelopment planning and engineering for a new public parking facility to be constructed in conjunction with Core Block development. On motion of Mrs. Gilbreath, seconded by Mrs. Peppler, the Agency unanimously appropriated up to \$40,000.00 in funding for the predevelopment planning and engineering for the parking garage project.

PUBLIC COMMENTS

None forthcoming.

ADJOURNMENT

There being no further business, the Board of Directors' meeting of the Redevelopment Agency adjourned at 6:29 P.M. The next regular meeting will be held on November 4, 2003.

Acting Secretary