

**COUNTY OF SAN DIEGO  
COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD  
REGULAR (TELECONFERENCE) MEETING**

**November 17, 2022 10:00 A.M.**

**MINUTES**

Attendance by Virtual Meeting made available

[Zoom Link:](#)

Phone Option: 1-669-900-9128; Webinar ID: 853 5567 5766

A. Call to Order at 10:02 a.m.

B. Roll Call

**PRESENT: Board Members:** Brian Hagerty, William Baber, Mark Baker, Bonnie Dowd, Samuel Merrill and Corinne Wilson

**City of San Diego:** Michael Wong, Program Manager Successor Agency Economic Development Department, Daniel Kay, Executive Vice President of Civic Communities, Kate Malcolm, Deputy City Attorney and Leonardo Alarcón, Successor Agency Community Development Coordinator

**Other Attendees:** Claire Lai, Attorney at Law and Max Endoso, Principal Admin Analyst,

C. Pledge of Allegiance

D. Approval of Statement of Proceedings / Minutes of October 20, 2022

On motion of Board Chair Hagerty and seconded by Member Dowd, THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD approved the minutes of the October 20, 2022 meeting. *Oversight Board staff did a roll call vote of each Board member to indicate approval or non-approval during the virtual meeting.* **Motion passed.**

AYES: Hagerty, Baber, Baker, Dowd, Merrill and Wilson

E. Formation of Consent Calendar

***Items to which no opposition has been expressed by the public or this body may be placed on the Consent Calendar to be voted on without discussion.***

No items were placed on the consent calendar.

F. Public Communication Speakers: Members of the public may address the Oversight Board on subject matters within the Board's jurisdiction, but not an item on this agenda.

Comments for items on this agenda will be taken as each item comes up. Each speaker is Supporting documentation and attachments for items listed on this agenda can be viewed online at <http://www.sdcounty.ca.gov/community/san-diego-county-oversight-board.html> or in the Health & Human Services Agency's Financial & Support Services Division, 1255 Imperial Avenue, 6<sup>th</sup> Floor, San Diego, CA 92101.

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limited to three minutes. *No comments were received by the Board or were presented at the meeting.*

#### G. Discussion Item(s)

##### 1. Compensation Agreement for Lyceum Theatre Renovation Project

Chair Hagerty turned it over to Michael Wong to present for the City of San Diego. After the presentation Chair Hagerty opened up the discussion to the Board, a summary of which is provided here:

Summary of City of San Diego presentation on CONTRACT BETWEEN THE CITY OF SAN DIEGO SUCCESSOR AGENCY AND CIVIC SAN DIEGO FOR CONSTRUCTION ADMINISTRATION SERVICES OF THE LYCEUM THEATRE RENOVATION PROJECT:

- The theater is a Subterranean facility located on the north side of the former Fordham Plaza shopping center and the soon-to-be campus at Horton project adjacent to Broadway Circle and Horton Plaza park in downtown San Diego.
- The former San Diego Redevelopment Agency (RDA) entered into a 50-year lease in 1985 with the retail Center developer Horton Plaza LLC to create a Performing Arts and Cultural amenity within the shopping center the Lyceum theater opened to the public on May 31, 1986 in the Horton Plaza retail Center.
- To ensure that the space will be utilized as specified in the lease and that a high-quality theater production would be provided to the public, the former RDA immediately entered into a master sublease agreement with Horton Plaza Theater Foundation.
- The lease agreement requires the former RDA to replace and to expense any personal property fixtures originally developed by the former RDA which requires replacement due to ordinary wear and tear.
- Detailed scope of work generally consists of interior renovations of 2 theaters located within the Lyceum theater and the addition of a glass-enclosed conference room and the upper lobby.
- The main stage will receive a modular stage flooring system. The audience areas within the main stage will receive new fixed theater seating, flooring, fire protection modifications, new doors, hardware and finishes.
- For the black box, a new portable audience seating system will be installed.
- Stage area improvements include upgrading theatrical rigging, theatrical lighting, audio visual equipment, as well as HVAC modification to improve heating and cooling.

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- The dressing room areas will receive plumbing, electrical, power, lighting and HVAC modifications to accommodate the revisions to the floor plan.
- Structural modifications will be made throughout the theater spaces to facilitate the above mentioned improvements.
- Civic San Diego, under the terms of the operating agreement with the City dated June 2019, implements the wind down certain Redevelopment activities and projects including the Lyceum Theatre renovation.
- Under the terms of the operating agreement and the proposed compensation agreement, Civic San Diego will administer the construction and completion of the project.
- The Project's total cost is \$13,455,500 and is considered an enforceable obligation under the California Dept. Of Finance approved Recognized Obligation Payment Schedule (ROPS) line item 205.
- The current ROPS 16 that ends June 30, 2023 includes \$7,004,408 program with \$6,933,923 available to certify.
- The implementation of the project through the compensation agreement is subject to approval by the County San Diego's Oversight Board and upon review and approval by the Oversight Board, the California Dept. of Finance has 45 days to review the action.
- Civic San Diego has recently completed the bid phase of the project and the approval of the compensation agreement will allow for the project to move into the construction phase.
- The goal is for construction to begin in March 2023 with completion in March 2024.

Member Wilson stated that earlier this year the San Diego Repertory Theater canceled all of their shows and laid off all of their staff. She asked about the financial implications of not having an active sublessee in the space. Daniel Kay responded that the generalities of the responsibility of a sublease lie with the Horton Plaza Theatre Foundation, so they operate and manage this space and there's been communication between them and the City to start the plan of hiring a new a performance outfit. He added that the City of San Diego Council President Elo-Rivera asked the same question, and he believes that Elo-Rivera's office is working directly with both Economic Development as well as the Horton Plaza Theatre Foundation to find out the details of the plan.

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Mr. Wong added that he was also involved in that conference with Council President Elo-Rivera and that this was the perfect timing to close since Stockdale is doing the renovation of their facility and the theater represents the theater tenant, is working now and creating more of an incubator space for multiple theater operations to proceed and use the facility.

Member Wilson stated that the sublessee of San Diego rep stated that part of the problem was that the space experienced flooding during one of our recent storms and then the Stockdale construction having closed off, made it difficult for them and impacted their activities in that space. She asked if the flooding issue has been addressed and if that's done, what is Stockdale's timeline for completion in allowing easier access to whatever comes next for the Lyceum Theatre.

Mr. Kay responded that he is not clear on timing of Stockdale's work, however, the intention is that both the theater renovation, the shopping and the campus at Horton construction is complete generally around the same time. As it relates to the flooding, the short answer is yes that will be fixed. It's not likely that is completely fixed today but Stockdale has their portion which they agreed to fix and then we have some pictures on the interior on the inside that have to be repaired as well. The access point difficulty is basically due to the construction zone right now. The entire area is screened by construction fencing and difficult for workers, patrons and the general public to even access the site.

Member Wilson thanked Mr. Kay for responding to her questions.

Member Dowd stated that she believes that this is not only an aesthetic renovation but also a modernization. She does not think that there was a black box venue in the original.

Mr. Kay responded that the black box has been there since day 1 during the 1985 construction. They have a 550-seat main theater and then a much smaller theater on the right hand side in the corner behind some office space, but it has always been in the theater space.

Member Dowd stated that she's been there several time and never realized what it was. She added that in her college district, modernization is also happening with their theater company, she is just interested in that situation and thanked Mr. Kay.

Mr. Kay stated that Stockdale is redeveloping the entire campus at Horton that also includes the entrance to this theater. Right now, it's a big circular entrance with a couple stairways that go down and in order to accommodate Stockdale's improvements they are creating a

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new entrance to the theater and above grade improvements with a new elevator and new access for the public to enter the space. So, all of that dynamic is changing. This particular project is only on the inside; it's only related to the theater itself.

Member Wilson stated that she is glad that Stockdale is being a good partner to support the theater space.

Chair Hagerty stated that the traditional meaning of “compensation agreement” in the Oversight Board world has been used when a successor agency is looking at liquidating or selling piece of property and they are required to offer a fair price, so to speak, or compensation amount to the affected taxing entities that are tied to that particular former redevelopment area. So, this doesn't really appear to be that. Even though we're calling it a compensation agreement, the Health and Safety Code reference is more aligned with us working with our property tax people here at the Auditor & Controller Department of County of San Diego, where we make sure it's either an updated appraisal or goes back to 2011 for the fair market value at the time. Typically, a traditional compensation agreement wouldn't be approved by the Oversight Board. That's typically directly between the successor agency and the affected taxing entities. He also asked Claire Lai to confirm that what he stated was a fair assessment of the contract between City of San Diego and Civic San Diego for the administration of Lyceum Theatre renovation project.

Claire Lai agreed with Chair Hagerty and added that the Board should really treat this item as a contract between the City of San Diego to implement the obligation under the master lease.

Chair Hagerty added that he does not want the Department of Finance to receive this later on and say to the Board that they are not supposed to approve compensation agreements. Thankfully, the resolution does not indicate “compensation agreement.”

Chair Hagerty asked if the Board should expect an increase in funding request on ROPS line 205 for subsequent years to fund this agreement. He added that the Department of Finance might question the increase since everything is supposed to be held at current levels and slowly declining; that is part of the dissolution of redevelopment agencies.

Mr. Kay responded that this contract would increase the City of San Diego ROPS. He added that the City of San Diego has already started the ROPS process and the timing of this contract is fairly fortunate. DOF is going to see this agreement before they see the

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ROPS schedule in January so after this board meeting, if the resolution is signed DOF has 45 days to review, and that time period will end before DOF sees the ROPS schedule.

Chair Hagerty explained that he wanted the Board to prepare for the possibility that a ROPS may return for review still containing this agreement. Chair Hagerty asked the San Diego City reps if they had any discussions or communications with the Department of Finance. Mr. Wong and Mr. Kay responded that they have not had any communications with the Department of Finance. Mr. Kay added that they understand the risks of the first type of agreement or contract that DOF is seeing in this form.

Chair Hagerty reiterated that if the Board approves this item today and the Board provides the City of San Diego with the signed resolution, that it would be incumbent upon the City of San Diego, and not upon the Oversight Board, to file that resolution with the State. Just make sure that there's no miscommunication about who needs to forward those documents. Mr. Wong and Mr. Kay responded that they agree and understood.

## 2. Special Teleconferencing Rule specified under AB 361

Chair Hagerty provided background and opened up the discussion to the Board, a summary of which is provided here:

On Tuesday the Board of Supervisors for the County with only four members present, were one member short, the vote was 2 to 2 to continue in teleconferencing format for the next meeting and so it failed. He wanted to let the Board know there is now a situation where one public agency at least has failed to approve the teleconferencing format for an upcoming meeting.

Member Wilson stated that seeing the news reports about everything that's going on and hospitals having tents outside, she thinks that at least for right now it's a good idea to continue teleconferencing. She also added that she has been around folks recently that have tested positive for Covid and doing our part to keep people away from hospitals right now is a responsible move.

Member Dowd agreed with Member Wilson and added that given that next meeting will be her last meeting she didn't want to drive the Oversight Board down on any particular

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direction, but her district is continuing to be in hybrid mode where we can have public participate when they need to.

Member Baber stated that this is his last meeting and told Member Dowd that it's been nice serving with her for 4 years. He added that in the City of La Mesa, they still have the hybrid meeting format, and he recently had the flu / Covid, and he was allowed to participate virtually. He still supports the teleconferencing format because it allowed him to do his duty until the end of his term.

#### H. Action Item(s)

1. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING A CONTRACT BETWEEN THE CITY OF SAN DIEGO SUCCESSOR AGENCY AND CIVIC SAN DIEGO FOR CONSTRUCTION ADMINISTRATION SERVICES OF THE LYCEUM THEATRE RENOVATION PROJECT IN THE DOWNTOWN NEIGHBORHOOD COMMUNITY PLAN AREA

On motion of Board Member Dowd and seconded by Baber, THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD approved the A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING A CONTRACT BETWEEN THE CITY OF SAN DIEGO SUCCESSOR AGENCY AND CIVIC SAN DIEGO FOR CONSTRUCTION ADMINISTRATION SERVICES OF THE LYCEUM THEATRE RENOVATION. *Oversight Board staff did a roll call vote of each Board member to indicate approval or non-approval during the virtual meeting.*

**Motion passed.**

AYES: Hagerty, Baber, Baker, Dowd, Merrill and Wilson

2. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD AUTHORIZING SPECIAL TELECONFERENCING RULE UNDER AB 361 PURSUANT TO GOVERNMENT CODE SECTION 54953 FOR THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

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On motion of Board Member Dowd and seconded by Baber, THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD approved the RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD AUTHORIZING SPECIAL TELECONFERENCING RULE UNDER AB 361 PURSUANT TO GOVERNMENT CODE SECTION 54953 FOR THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD. *Oversight Board staff did a roll call vote of each Board member to indicate approval or non-approval during the virtual meeting. **Motion passed.***

AYES: Hagerty, Baber, Baker, Dowd, Merrill and Wilson

- I. Communications Received
- J. Future Agenda Item(s)
- K. Set Future Meeting Date(s): December 15, 2022 10:00 a.m., January 12, 2023 9:00 a.m., January 19, 2023 10:00 a.m., February 16, 2023 10:00 a.m.
- L. Adjournment at 10:46 a.m.

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