

**COUNTY OF SAN DIEGO
COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD
REGULAR MEETING
May 18, 2023 10:00 A.M.**

**AT 1600 PACIFIC HIGHWAY, SAN DIEGO, ROOM 302
MINUTES**

Attendance by Virtual Meeting made available

[Zoom Link:](#)

Phone Option: 1-669-900-9128; Webinar ID: 827 1364 5735

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

Chair Hagerty introduced two new members.

Rebecca Jones served 12 years as Councilmember in San Marcos prior to being elected as the city's first female mayor in 2018, last year she was re-elected to her second mayoral term. Prior to her serving on public office Rebecca was an active community volunteer and leader. She served as a member of the San Marcos Creek Specific Plan Task Force from 2005 to 2007, and as an Advisory Board Member for the San Marcos Boys and Girls Club for more than a decade! She also co-owned her own small business in furniture marketing for over 20 years. In her spare time, Rebecca hosts the inspirational "The SheEO Lead In" podcast that highlights women in leadership and their journeys that led them to their careers.

Mayor Jones expressed her excitement to be present at the meeting and mentioned the significance of San Marcos having one of the largest redevelopment agencies in the State. She noted the presence of female leaders in key positions within the County.

Dr. Kelly Hall serves as the Executive Vice-Chancellor of Fiscal Affairs & Business Services at San Diego Community College District. She has worked in the California Community College system for 20 years. Before moving into higher education, she was the Chief Financial Officer at Western Railroad Supply, Inc., in San Bernardino, California. Dr. Hall is a Certified Public Accountant who earned a Bachelor of Science in Business Administration with a focus in Accounting, Suma Cum Laude. She also holds an MBA in Corporate Management and a PhD in Management and Organizations.

Dr. Hall stated that she is happy to be serving and she hopes that she can add value to the Board's work.

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- B. Roll Call/ Statement (just cause) and/or Consideration of a Request to Participate Remotely (emergency circumstances) pursuant to Assembly Bill 2449 by an Oversight Board Member (*if necessary and applicable*)

PRESENT: Board Members: Brian Hagerty, Mayor Rebecca Jones, Scott Buxbaum, Dr. Kelly Hall, Samuel Merrill and Corinne Wilson

ABSENT: Mark Baker

City of San Diego: Michael Wong, Program Manager for the Successor Agency and Jeff Zinner, Senior Project Manager

Other Attendees: Lindsay D'Andrea, Attorney at Law, Max Endoso, Principal Admin Analyst, Ardee Apostol, Group Finance Director

- C. Pledge of Allegiance

- D. Approval of Statement of Proceedings / Minutes of January 19, 2023

On motion of Board Member Buxbaum and seconded by Wilson, THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD approved the minutes of the January 19, 2023 meeting. Oversight Board staff did a roll call vote of each OB member to indicate approval or non-approval. Motion passed.

AYES: Hagerty, Jones, Buxbaum, Hall, 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 limited to three minutes. *No comments were received by the Board or were presented at the meeting.*

- G. Discussion Item(s)

1. Lease contract for Space at 625 Sixth Avenue, San Diego

Michael Wong provided background and responded to questions from the Board, a summary of which is provided here:

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The item before you today is the proposed Lease between the City of San Diego, solely in its capacity as the designated Successor Agency to the Redevelopment Agency to the Redevelopment Agency between the City of San Diego, solely in its capacity as the designated Successor Agency to the Redevelopment Agency of the City of San Diego, and Nasir and Landa Mansor doing business as San Remo Pizza, for the retail space located at 625 Sixth Avenue.

Photos provided in the presentation are of the inside and outside of San Remo Pizza. Tenants Landa and Nasir Mansor have substantially upgraded the aesthetic of the space to its current condition.

San Remo Pizza is located within the Park it on Market garage at 614 Market Street in downtown San Diego which opened to the public in 2001 and is included in the Successor Agency's Amended and Restated Long Range Property Management Plan and as such must ultimately be disposed of in accordance with redevelopment dissolution law.

Nasir and Landa Mansor are the current tenants and assumed the Lease in August 2021 through a Third Assignment of the Lease.

The Term shall terminate on the later of either September 1, 2025, co-terminus with bond covenants or the date that the Successor Agency transfers its ownership of the premises to the City. There are no extensions.

The monthly rent is to remain at \$1858.88 during the term of the lease with no increases.

Staff completed an analysis of lease rates in the downtown area. This analysis showed that for comparable lease spaces (generally commercial/retail spaces of 800 sf or less) rates ranged from approximately \$1.25 per sf/month to \$3.50 per sf/month, with CoStar showing a median rent of \$2.25 per sf/month.

The lease requires a 45-day review by the department of finance and the effective date of the lease is when the Successor Agency receives final DOF approval.

Member Wilson asked about the process if the tenant wants to continue operating after the lease term ends. Mr. Wong clarified that a new lease would be required, either with the city or a new owner if the property is sold.

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Member Buxbaum asked if the current tenants are able to assign their right to another lessee and if so, does this item have to come back to the board. Mr. Wong responded that they have not gone back to the Board in previous assignments, so he does not think so.

Member Buxbaum asked if other tenants will come to the Board before the Bonds become due. Mr. Zinner responded that within the garage, there are only two retail spaces. Remo Pizza and the other one by another retail business selling flowers. Their lease does not expire for another year or so and they've been there for many years so it is unlikely that another tenant would come to this Board in the near future.

Chair Hagerty provided background that under Health & Safety code 34181(e) these types of arrangements are regularly brought and reviewed by the Board.

2. Dept. of Finance Decisions on ROPS 23-24

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

In January, the Board approved the FY 23-24 Recognized Obligation Payment Schedules (ROPS) and administrative budgets for all 17 Successor Agencies in the San Diego County. The Department of Finance (DOF) completed their review on April 15, 2023. A total of \$168.5 million of Redevelopment Property Tax Trust Fund (RPTTF) money was requested. DOF has the right to dispute any requests and could hold a meeting or discuss it over the phone. The state rejected about \$1.4 million of the requested amount for specific reasons. Significant RPTTF reductions were made on requests from La Mesa and the City of San Diego, including an amendment related to the Balboa theater. The state also asked some successor agencies to use existing funds before requesting new money. Written warnings were issued for excessive administrative effort, but they didn't have strong consequences. The total reduction amounted to less than 1% of the approved amount. The Department of Finance is responsible for publishing the reviewed FY 23-24 ROPS, but the County has access to those approval letters because The County's Auditor & Controller, Property Tax Services Division received them directly from DOF so they can send those funds to respective Successor Agencies.

Member Hall asked if the State provided a justification for the \$547 thousand reduction tied to Balboa Theater. Chair Hagerty responded that per the DOF City of San Diego 2023-

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24 ROPS approval letter, The Agency requested \$547,154 from the Redevelopment Property Tax Trust Fund (RPTTF) in error. Therefore, with the Agency's concurrence, Finance made an adjustment of \$547,154 to decrease the requested amount to \$0.

Member Hall asked the rationale for the La Mesa \$504 thousand reduction. Chair Hagerty responded that per the DOF LA Mesa Successor Agency ROPS 23-24 Approval letter, item No. 3 – AD98-1 Limited Obligation Bonds in the amount of \$504,088 has been reclassified from the Redevelopment Property Tax Trust Fund (RPTTF) to Bond Proceeds. The Agency has cash in its bond reserve account which must be used to satisfy the final debt service payment. Therefore, with the Agency's concurrence, \$504,088 has been reclassified from RPTTF to Bond Proceeds.

Member Jones added that the excessive administrative costs may be justified by the need for employees dedicated to running a Successor agency. These employees have specific responsibilities and it's not feasible to transfer their salaries to other budget areas.

Chair Hagerty added that this is particularly challenging for smaller agencies. The dialogue in January highlighted the limited flexibility and the significant amount of work involved. The legislation was created to establish limits on administrative budget debates, ensuring successor agencies can manage their funds. However, the written warnings issued for excessive costs have limited consequences.

H. Action Item(s)

1. Adopt a resolution entitled, A RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING A LEASE BETWEEN THE CITY OF SAN DIEGO, SOLELY IN ITS CAPACITY AS THE DESIGNATED SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, AND NASIR AND LANDA MANSOR, DOING BUSINESS AS SAN REMO PIZZA, FOR RETAIL SPACE LOCATED AT 625 SIXTH AVENUE IN THE EAST VILLAGE NEIGHBORHOOD OF THE DOWNTOWN COMMUNITY PLAN AREA

On motion of Board Member Jones and seconded by Wilson, THE COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD approved A

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RESOLUTION OF THE SAN DIEGO COUNTYWIDE REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD FOR THE CITY OF SAN DIEGO REDEVELOPMENT SUCCESSOR AGENCY APPROVING A LEASE BETWEEN THE CITY OF SAN DIEGO, SOLELY IN ITS CAPACITY AS THE DESIGNATED SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, AND NASIR AND LANDA MANSOR, DOING BUSINESS AS SAN REMO PIZZA, FOR RETAIL SPACE LOCATED AT 625 SIXTH AVENUE IN THE EAST VILLAGE NEIGHBORHOOD OF THE DOWNTOWN COMMUNITY PLAN AREA. *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, Jones, Buxbaum, Hall, Merrill and Wilson

- I. Communications Received: Update from LAFCO regarding Mark Baker's replacement. As of May 1, 2023, returned ballots did not constitute a quorum and the deadline to return ballots was extended to July 3, 2023.
- J. Future Agenda Item(s): Special Liability Insurance Program renewal, Long-Range Property Management Plan update.
- K. Set Future Meeting Date(s): June 15, 2023 10:00 a.m., July 20, 2023 10:00 a.m., August 17, 2023 10:00 a.m., September 21, 2023 10 a.m.
- L. Adjournment at 10:44 a.m.

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