
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
SPECIAL MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
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CALL TO ORDER

The Special Meeting of the Oversight Board of the Successor Agency to the Industry Urban-Development Agency was called to order by Chairman Santos Kreimann at 3:31 a.m., in the City of Industry Council Chamber, 15651 East Stafford Street, California.

FLAG SALUTE

The flag salute was led by Chairman Santos Kreimann.

ROLL CALL

PRESENT: Santos Kreimann, Chairman
Cindy Chen, Board Member
Yolanda Duarte, Board Member
Deo Persaud, Board Member
Paul Philips, Board Member
Congressman Esteban Torres, Board Member

ABSENT: Board Member Gregoryk

MOTION BY BOARD MEMBER DUARTE, AND SECOND BY BOARD MEMBER PHILIPS TO GRANT BOARD MEMBER GREGORYK AN EXCUSED ABSENCE. MOTION CARRIED 6-0, WITH BOARD MEMBER GREGORYK ABSENT.

STAFF PRESENT: Sean Varner, Oversight Board Counsel, James Casso, Agency Legal Counsel, and Diane M. Schlichting, Secretary.

PUBLIC COMMENTS

Mr. Matt Weinberg of Skyscraper Brewing & Distributing Company located at 19835 East Walnut Drive approached the Board and provided background history on Skyscraper. Chairman Kreimann asked if he had a specific request from the Board . Mr. Weinberg asked that the Board hear him out to understand what has transpired, and spoke of their claim.

Mr. John Gordon, attorney representing GH America Investment Group, Inc., which is the subsidiary of Xinjiang Guanghui Industry Investment Group Co., Ltd., advised the Board that over four months ago, GH America submitted a \$101,000,000 offer, along with a \$5,000,000 non-refundable deposit. Discussion was held as to if he should address now, or at the time that Item No. 5.8 is considered. He chose to wait until Item No. 5.8.

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CONSIDERATION OF RESOLUTION NO. OB 2015-10 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE OVERSIGHT BOARD'S MINUTES FOR THE MAY 12, 2015 SPECIAL MEETING

MOTION BY BOARD MEMBER CHEN, AND SECOND BY BOARD MEMBER DUARTE TO ADOPT RESOLUTION NO. OB 2015-10. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DUARTE, BOARD MEMBER PERSAUD, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: BOARD MEMBER GREGORYK

ABSTAIN: BOARD MEMBER PHILIPS AND CONGRESSMAN TORRES

Secretary Schlichting stated that there were two new Board Members and inquired if they should introduce themselves. Chairman Kreimann apologized and asked Congressman Torres and Board Member Philips if they would like to introduce themselves.

Board Member Philips stated that he was the City Manager with the City of Industry, and had been with the City for almost three months. The City Council asked that I serve on the Oversight Board. I would like to take a moment and point out that in my opinion, the dissolution of the redevelopment agency is possibly the biggest policy blunder in California history. We are following the law and the regulations to dissolve the redevelopment agency. As much as we can work collaboratively, I think that would be the most important step that we can take as a team here on the Oversight Board. The fact that there are 172 lawsuits from cities to the Department of Finance will tell you how burdensome this process is. I think we need to work together more closely and would encourage our attorney to share all information concurrently with all of the Board Members.

Congressman Esteban Torres stated that he was a former Member of Congress. I am honored to sit on this Board and would like to thank the Members and the Chairman for my selection. I want to echo the comments made by Mr. Philips in saying that I hope we can work together to overcome the many issues that confront us, and to that degree, I am here to serve that purpose.

Chairman Kreimann welcomed Congressman Torres and Board Member Philips to the

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Board. Over the past years, we have been working very closely together and in a very transparent way to the extent that Mr. Varner has definitely been providing information to everyone freely. Discussion was held regarding keeping all of the Board Members apprised.

Legal Counsel Varner stated that he and Mr. Casso had the discussion of what the protocol should be on how to share information between us, and to get it to the Board and to the Successor Agency.

CONSIDERATION OF RESOLUTION NO. OB 2015-11 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE OVERSIGHT BOARD'S MINUTES FOR THE JUNE 2, 2015 REGULAR MEETING

MOTION BY BOARD MEMBER DUARTE, AND SECOND BY BOARD MEMBER PERSAUD TO ADOPT RESOLUTION NO. OB 2015-11. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DUARTE, BOARD MEMBER PERSAUD, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: BOARD MEMBER GREGORYK

ABSTAIN: BOARD MEMBER PHILIPS AND CONGRESSMAN TORRES

CONSIDERATION OF THE STATUS REPORT IDENTIFYING THE INVENTORY OF PROPERTIES, PROJECTED CASH FLOW FOR PROJECTS TO BE FUNDED BY OTHER FUNDS, AND THE PROJECT SUMMARY

Mr. Dean Yamagata, Partner with Frazer, LLP, contracted to run the Finance Department for the City and Agency, presented a staff report and responded to questions from Members of the Oversight Board.

MOTION BY BOARD MEMBER PHILIPS, AND SECOND BY BOARD MEMBER PERSAUD TO RECEIVE AND FILE THE REPORT. MOTION CARRIED 6-0, BY THE FOLLOWING VOTE:

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AYES: BOARD MEMBER CHEN, BOARD MEMBER DUARTE, BOARD MEMBER PERSAUD, BOARD MEMBER PHILIPS, CONGRESSMAN TORRES, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: BOARD MEMBER GREGORYK

ABSTAIN: NONE

CONSIDERATION OF THE JULY 2015 BOND REFINANCING REPORT

Secretary Schlichting stated that the backup for this item should have only been Dean Yamagata's memo. There was backup included that should not have been included in the agenda packet.

Mr. Dean Yamagata, Partner with Frazer, LLP, contracted to run the Finance Department for the City and Agency, presented a staff report and responded to questions from Members of the Oversight Board.

MOTION BY CONGRESSMAN TORRES, AND SECOND BY BOARD MEMBER PHILIPS TO RECEIVE AND FILE THE REPORT. MOTION CARRIED 6-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DUARTE, BOARD MEMBER PERSAUD, BOARD MEMBER PHILIPS, CONGRESSMAN TORRES, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: BOARD MEMBER GREGORYK

ABSTAIN: NONE

CONSIDERATION OF RESOLUTION NO. OB 2015-12 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

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**AND THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR THE PERIOD OF
JANUARY 1, 2016 THROUGH JUNE 30, 2016**

Mr. John Ballas, City of Industry Engineer, provided a staff report and answered questions from Members of the Oversight Board.

Mr. Dean Yamagata, Partner with Frazer, LLP, contracted to run the Finance Department for the City and Agency, responded to questions from Members of the Oversight Board.

Agency Legal Counsel Casso responded to questions from Members of the Oversight Board.

Oversight Board Counsel Varner talked about Senate Bill 107, the retainment of loans, and the authority to do so. With respect to contracts that have not yet been approved, Oversight Board Counsel Varner recommended that contracts that the Successor Agency wants to enter into for the future, put them on ROPS making a notation in the appropriate line item with a comment saying that they are subject to the Successor Agency and Oversight Board approving the contracts. Oversight Board Counsel Varner and Agency Legal Counsel Casso responded to questions from Successor Agency staff and Members of the Oversight Board. Discussion was held regarding the Loan between the Successor Agency and the City of Industry, and the disposition of Agency-owned properties.

MOTION BY BOARD MEMBER PHILIPS, AND SECOND BY BOARD MEMBER DUARTE TO ADOPT RESOLUTION NO. OB 2015-12, INCLUDING NOTES TO ITEM NOS. 289, 291, and 293 TO INDICATE THAT THOSE ITEMS ARE SUBJECT TO EXECUTED CONTRACTS APPROVED BY THE SUCCESSOR AGENCY AND OVERSIGHT BOARD SUBJECT TO ADEQUATE FUNDING FROM THE INTENDED SOURCES ON ROPS. MOTION CARRIED 6-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DUARTE, BOARD MEMBER PERSAUD, BOARD MEMBER PHILIPS, CONGRESSMAN TORRES, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: BOARD MEMBER GREGORYK

ABSTAIN: NONE

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CONSIDERATION OF RESOLUTION NO. OB 2015-13 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE INDUSTRY BUSINESS CENTER ROADWAYS, SEWERS, DRY UTILITIES & SLOPE LANDSCAPING AND GRAND AVENUE WIDENING CONTRACT BY AND BETWEEN THE SUCCESSOR AGENCY AND ALL AMERICAN ASPHALT

Mr. John Ballas, City of Industry Engineer, provided a staff report, and responded to questions from Members of the Oversight Board.

MOTION BY BOARD MEMBER PHILIPS, AND SECOND BY CHAIRMAN SANTOS TO ADOPT RESOLUTION NO. OB 2015-13. MOTION CARRIED 6-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DUARTE, BOARD MEMBER PERSAUD, BOARD MEMBER PHILIPS, CONGRESSMAN TORRES, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: BOARD MEMBER GREGORYK

ABSTAIN: NONE

REPORT ON A RECENT SLIDE FAILURE DURING THE MASS GRADING OPERATION FOR THE INDUSTRY BUSINESS CENTER EAST SIDE GRADING, CONTRACT NO. IBC-0380, AS IDENTIFIED IN LINE ITEM NO. 271 OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Mr. John Ballas, City of Industry Engineer, provided a staff report, and responded to questions from Members of the Oversight Board.

MOTION BY CONGRESSMAN TORRES, AND SECOND BY BOARD MEMBER PHILIPS TO RECEIVE AND FILE THE REPORT. MOTION CARRIED 6-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DUARTE, BOARD

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MEMBER PERSAUD, BOARD MEMBER PHILIPS, CONGRESSMAN
TORRES, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: BOARD MEMBER GREGORYK

ABSTAIN: NONE

**CONSIDERATION ON STATUS OF THE LONG RANGE PROPERTY MANAGEMENT
PLAN, THE DISPOSITION OF PROPERTIES, AND THE CURRENT STATUS OF
MARKETING OF PROPERTIES**

Agency Legal Counsel Casso presented a report, and responded to questions from Members of the Oversight Board.

Chairman Kreimann expressed his concern and asked if the same process would still take place, and if Jim Rabe with Keyser Marston would still be used. Agency Legal Counsel Casso stated that he was not convinced that the Advisory Committee was necessary for the properties that were remaining.

Oversight Board Counsel Varner stated that Jim Rabe's role was essentially to verify the fair market value for the properties, and therefore, didn't see why the Successor Agency couldn't still utilize his services.

Chairman Kreimann stated that it was the Oversight Board that felt the need for a third party to review the fair-market value. The Oversight Board would like for Jim Rabe to continue to serve in his capacity. Discussion was held.

Mr. John Gordon approached the Board and stated that over 4 months ago GH America submitted a \$101,000,000.00 offer for a property known as Tres Hermanos. My client is ready, willing, and able to purchase the Tres Hermanos property which is on the Long Range Property Management Plan. It has been four months, and we have not heard a word from the Successor Agency. Agency Legal Counsel Casso indicated that he and Board Member Philips had been directed by the City Council to look at different options with regard to Tres Hermanos. We are following that direction, and hope to come to a conclusion within 45 to 60 days. We can send GH America a note that their bid had been received and was under consideration

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Discussion was held regarding The Hoffman Company marketing the Tres Hermanos property.

MOTION BY BOARD MEMBER DUARTE, AND SECOND BY BOARD MEMBER PHILIPS TO RECEIVE AND FILE THE REPORT. MOTION CARRIED 6-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DUARTE, BOARD MEMBER PERSAUD, BOARD MEMBER PHILIPS, CONGRESSMAN TORRES, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: BOARD MEMBER GREGORYK

ABSTAIN: NONE

ADJOURNMENT

There being no further business, the Oversight Board of the Successor Agency to the Industry Urban-Development Agency adjourned.



Santos H. Kreimann, Chairman



Diane M. Schlichting, Secretary