

CITY OF SANTA MONICA
REDEVELOPMENT SUCCESSOR AGENCY
OVERSIGHT BOARD MINUTES
WEDNESDAY MAY 30, 2012

A special meeting of the Santa Monica Redevelopment Successor Agency Oversight Board was called to order by Chair Silvern at 5:31 p.m., on Wednesday, May 30, 2012, at 1527 4th St., Santa Monica.

Roll Call: Present: Chair Paul J. Silvern
Board Member David Dijkstra
Board Member Melody Kanschat
Board Member Randal Lawson (*arrived at 5:35 p.m.*)
Board Member Lisa Luboff
Board Member Janece L. Maez
Vice Chair Robert Moran

Also Present: Director of Housing and Economic Development Andy Agle
Director of Finance Gigi Decavalles
Deputy City Attorney Ivan Campbell
Board Secretary Denise Anderson-Warren

CONVENE On order of Chair, the Oversight Board convened at 5:31 p.m., with Board member Lawson absent.

MINUTES 1-A: **The minutes** of the April 16, 2012 Oversight Board meeting, were presented.

There was no one present for public comment.

Motion by Board Member Dijkstra, seconded by Vice Chair Moran, to approve the minutes as submitted. The motion was unanimously approved by voice vote, with Board Member Lawson absent.

REGULAR AGENDA 2-A: **Oversight Board Legal Counsel services selection process**, was presented.

LEGAL COUNSEL SERVICES

Board Member Lawson arrived at 5:35 p.m.

Board Members Kanschat and Luboff gave a report from the Ad-Hoc Committee to explain the Request for Proposal (RFP) process which was issued on April 28th and gave firms until May 10th to return proposals. The RFP was advertised on PlanetBids, L.A. Daily Journal, San Francisco Bar Association, Orange County Bar Association Newsletter, and some

additional referrals received during the RFP process. Four proposals were received, and after an extensive evaluation process three firms were recommended for presentation.

There was no one present for public comment.

Committee member Luboff introduced each firm as they were given five minutes to present their qualifications, then the committee allowed 15 minutes for follow-up questions and answers.

Renne Sloan Holtzman Sakai LLP (RSHS) - Proposal to provide legal services, was presented by David Kahn who would serve as the primary Attorney to work with the Oversight Board.

RSHS's Fee Structure includes:

- \$285/hr
- The firm will not charge for travel time from San Francisco to Santa Monica, but would charge for travel cost (airfare, travel from airport)
- Proposed a retainer of 15 hours a month for a set amount of \$4,000 then \$285 for every hour over the 15 hours.

Stein & Lubin LLP - Proposal to provide legal services, was presented by Paula Crow and Laurie Gustafson.

Stein & Lubin's Fee Structure includes:

- \$395/hr
- Would bill travel time from LAX to Santa Monica and travel cost
- Proposed a retainer of 50 hours a month for a set amount of \$20,000, then \$395 for every hour over the 50 hours, with \$110/hr for paralegals.

Green, de Bortnowsky & Quintanilla, LLP (GDQ) - Proposal to provide legal services, was presented by Charles Green and Jennifer Mizrahi.

GDQ's Fee Structure includes:

- Three-tier rate, maximum of \$195/hr
- Will not charge for mileage as they are coming from Calabasas
- Will bill for travel time to meet elsewhere on the cities behalf
- Retainer of 30 hours a month for a set amount of \$3,300 at \$110/hr

Questions from the board for each of the firms included but was not limited to: the average amount of hours firms are currently billing other Oversight

Boards; an explanation of the relationship between the Oversight Board's attorney and the Successor Agency's attorney; who is the contracting agency that signed the agreement to hire the firm; who does the firm directly interact with, the Chair or the Successor Agency's staff; how many attorneys work for the firm and their measure of public sector experience, and more specific land use experience; and, what do they see as the biggest legal challenges for the Oversight Boards in the upcoming six months. Each firm responded to the questions from the board.

On order of the Chair, the matter was turned over to the board for discussion to determine each member's preference for counsel, to provide direction to the Successor Agency staff to work on the board's behalf to prepare a contract, and to ask the Successor Agency staff to verify references for the selected firm.

Discussion ensued on the merits of the firms and how well they met the board's criteria, which included: cost effectiveness; a firm that is already engaged in the ABx1 26 issues; scale of the cities represented by the firm; a firm that understands the public sector and the complex legal and political relationships; and the firm's ability to be able to balance the interest of the taxing entities and to work with the Department of Finance, State Controller's Office, and the County Auditor-Controller.

Staff presented their rankings based on a specific criteria and evaluation. The criteria included: Proposed fees, demonstrated understanding of the requirement, appropriateness of the technical approach and quality of the work plan, technical capabilities and management plan, demonstrated experience, successful past experience, and overall quality and professional appearance of the proposal submitted. Based on the criteria the total points given were: RSHS 76 points; Stein & Lubin 72 points, and GDQ 94 points.

Board member Luboff suggested that each board member give their first choice for a firm before formally taking a vote on the matter. On order of the Chair, the initial preferences were as follows:

RSHS: Board Members Luboff, Lawson, Dijkstra

Stein & Lubin: Board Members Kanschat, Vice Chair Moran

GDQ: Board Members Maez, Chair Silvern

After further discussion, the Chair proposed that each board member give their top two choices thereby eliminating the third place firm. The results were as follows:

Board Member Dijkstra: RSHS and Stein & Lubin
Board Member Kanschat: RSHS and Stein & Lubin
Board Member Lawson: RSHS and GDQ
Board Member Luboff: RSHS and Stein & Lubin
Board Member Maez: GDQ and Stein & Lubin
Vice Chair Moran: Stein & Lubin and GDQ
Chair Silvern: GDQ and RSHS

There being 5 votes for RSHS, 5 votes for Stein & Lubin, and 4 votes for GDQ. On order of the Chair, the board reviewed both firms' Fee Proposals, depth and breadth of experience in the relevant areas, and presentations. Discussion ensued on the positives of both firms.

Motion by Chair Silvern, duly seconded to: select outside legal counsel representation; direct staff to verify references and report to the sub-committee; and, to prepare a contract between the Oversight Board and the selected Firm. Renne Sloan Holtzman Sakai LLP was selected by the following vote:

Renne Sloan Holtzman Sakai LLP: Board Members Maez, Luboff,
Lawson, Dijkstra, Chair Silvern

Stein & Lubin LLP: Board Member Kanschat, Vice Chair Moran

**COMMUNICATIONS
WITH THE
DEPARTMENT OF
FINANCE**

2-B: Recognized Obligation Payment Schedules (ROPS)

i. Communications with California Department of Finance (DOF), was presented.

On order of the Chair, the Successor Agency's staff gave an overview of issues and concerns that have come up as a result of discussions with the Department of Finance as they relate to the items listed below. Staff reported back that after several iterations with the DOF's staff and supervisors, the first and second ROPS and all of the enforceable obligations were approved. The items still pending approval are: School District and Civic Center Joint Use Agreement, there's a question of the effective date of AB1x 26; Affordable Housing Agreement; Promissory Notes for Downtown; and Administrative costs versus Oversight Board costs.

There was no one present for public comment.

1. 5/9/12 - Successor Agency letter to DOF regarding ROPS (July - December 2012)

2. 5/11/12 - Successor Agency letter to DOF regarding ROPS (July-December 2012)
3. 5/15/12 - DOF letter concerning ROPS (January-June 2012 and July-December 2012)
4. 5/16/12 - Amended ROPS (January-June 2012 and July-December 2012) to DOF
5. 4/23/12 - Approved ROPS (January-June 2012 and July-December 2012) highlighted with line item amendments
6. 5/16/12 - Successor Agency letter to DOF regarding ROPS (July - December 2012)
7. 5/22/12 - DOF Letter concerning ROPS (January-June 2012 and July-December 2012)
8. 5/29/12 - Successor Agency Letter to DOF concerning ROPS (January-June 2012)

Communication between the City and the Department of Finance is ongoing. On order of the Chair, the information was received and filed.

ROPS TEMPLATE

ii. **Template for future ROPS (*ROPS Template Document*)**, was presented.

There was no one present for public comment.

There were no comments from the board. On order of the Chair, this information was received and filed.

OCEAN PARK BOND

2-C: **2002 Ocean Park Bond- Plan Limit Special Fund**, was presented.

Staff requested a change of money in a reserve fund to show liquidity and to place the excess with a trustee.

There was no one present for public comment.

Vice Chair Moran was excused at 7:37 p.m.

Motion by Chair Silvern, seconded by Board Member Luboff, to approve a redesignation of \$1.7 million in funds into a reserve fund for a permitted use.

Vice Chair Moran returned at 7:42 p.m.

On the order of the Chair, the board adjourned to a recess at 7:39 p.m. with Vice Chair Moran absent, and reconvened at 7:42 p.m., with all members present.

Chair Silvern called for a vote on the staff recommendation. The motion was approved by the following vote:

AYES: Board Members Kanschat, Lawson, Luboff, Maez,
Chair Silvern
NOES: Vice Chair Moran
ABSTAIN: Board Member Dijkstra

AGENCY BUSINESS

2-D: Winding Down Agency Affairs

i. Communication with State Controller

1. 3/15/12 - SCO Asset Transfer Letter and Forms
2. 4/16/12 - Successor Agency letter to SCO regarding Asset Transfer Forms
3. 4/20/12 - SCO Order to Reverse RDA Asset Transfer

RDA NON-HOUSING ASSETS

ii. Discussion of status of former RDA non-housing assets

1. List of Former RDA Properties
2. Property Profiles
3. Master Cooperation Agreement
4. First Implementing Agreement
5. Second Implementing Agreement

Motion by Chair Silvern, seconded by Board Member Dijkstra, to table this item to the next scheduled Oversight Board meeting. The motion was unanimously approved by voice vote, with all members present.

FUTURE CONSIDERATION

3. Items for Future Consideration:

- Update on status of Bills being presented to the Legislature in regards to ABx126.
- Direct staff to send all updates from the Department of Finance as they receive it. Staff responded that they will post correspondence on the website to access the information.
- Resolution on how to pay for Oversight Board Counsel and revisit the Administrative budget.
- Raise the issue with the County to assist with payment for outside counsel and how does that communication happen.

ADJOURNMENT

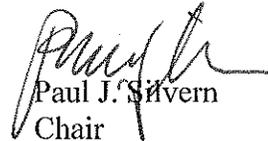
On order of the Chair, the Oversight Board meeting was adjourned at 7:51 p.m.

ATTEST:



Denise Anderson-Warren
Secretary

APPROVED:



Paul J. Silvern
Chair