



MEETING AGENDA MENLO PARK OVERSIGHT BOARD

**Monday, August 19, 2013, at 4:30 p.m.
701 Laurel Street, Menlo Park, CA 94025
City Hall, First Floor, Council Conference Room**

Board Members

- | | |
|--------------------------------|---------------------------|
| 1. Michele Braucht | 4. James Keller |
| 2. Reyna Farrales (Vice Chair) | 5. Starla Jerome-Robinson |
| 3. Kirsten Keith (Chair) | 6. Ahmad Sheikholeslami |

Alternate: Harold Schapelhouman

AGENDA

1. Call to order
2. Public Comment
Under "Public Comment", the public may address the Board on any subject not listed on the agenda. Each speaker may address the Board once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live. The Board cannot act on items not listed on the agenda and, therefore, the Board cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.
3. Hamilton Avenue property

OB Resolution 13-009, A Resolution of the Oversight Board for the Successor Agency to the Community Development Agency of the City of Menlo Park approving and/or reauthorizing the Fifth Amendment to the Purchase and Sale Agreement with Greenheart Land Company for the sale of property owned by the former Redevelopment Agency for the property located at 735, 777-821 Hamilton Avenue in accordance with the Long Range Property Management Plan as approved by the Department of Finance, and to extend the time to November 1, 2013, to obtain State Department of Finance approval

Action: Approve Resolution
4. Minutes for June 20, 2013

Action: Accept minutes
5. Adjourn

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At every meeting of the Oversight Board, in addition to the Public Comment period where the public shall have the right to address the Board on the any matters of public interest not listed on the agenda, members of the public have the right to directly address the Board on any item listed on the agenda at a time designated by the Chair, either before or during the Board's consideration of the item.

Any writing that is distributed to a majority of the Board by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the Office of the City Clerk, Menlo Park City Hall, 701 Laurel Street, Menlo Park, CA 94025 during regular business hours.

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OVERSIGHT BOARD

To the Community Development Agency of the City of Menlo Park

Oversight Board Meeting Date: August 19, 2013

Agenda Item #: 3

REGULAR BUSINESS: Adopt a resolution approving a Fifth Amendment to the Purchase and Sale Agreement with Greenheart Land Company for the Sale of Property Owned by the Former Menlo Park Redevelopment Agency Located at 735, 777-821 Hamilton Avenue in accordance with the Long Range Property Management Plan approved by the Department of Finance, and to extend to November 1, 2013, to obtain State Department of Finance approval

RECOMMENDATION

Successor agency staff recommends the Oversight Board of the former Menlo Park Community Development Agency adopt a resolution approving a fifth amendment to the Purchase and Sale Agreement with Greenheart Land Company for the sale of property owned by the former Redevelopment Agency located at 735, 777-821 Hamilton Avenue in accordance with the Long Range Property Management Plan approved by the Department of Finance, and to extend the time to obtain State Department of Finance approval to November 1, 2013.

BACKGROUND

The Oversight Board of the former Menlo Park Community Development Agency met in closed session on Monday, November 5, 2012 and authorized City staff to negotiate a Purchase and Sale Agreement (PSA) for the sale of the Hamilton Ave. property for the sum of \$8 million by the Successor Agency to Greenheart Land Company. The City Council (Successor Agency Board) approved the PSA at their regular meeting on November 13, 2012, and the Oversight Board approved the sale at their November 26, 2012, meeting.

The PSA has been amended four times since then in order to allow the State Department of Finance the time needed to approve the sale. The fourth amendment to the PSA expires on September 1, 2013. The Menlo Park City Council (acting as the Successor Agency Board) will consider the Fifth Amendment for approval at a meeting scheduled prior to September 30, 2013.

IMPACT

The development of the Hamilton Avenue East site was initially intended to address housing development requirements under the Redevelopment Implementation Plan. With the dissolution of the redevelopment agency, disposition of these properties is mandated. The actions described in this report will result in the sale of the Hamilton Avenue East site for the sum of \$7.650 million, the proceeds of which will be forwarded to the County and distributed to the appropriate taxing agencies of the former CDA.

ENVIRONMENTAL REVIEW

The disposition of the property to a private party is not a project under CEQA.

PUBLIC NOTICE: Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 10 days prior to the meeting.

ATTACHMENTS

- A: Fifth Amended Purchase and Sale Agreement with Greenheart Land Company
- B: Resolution

Report prepared by:
William L. McClure
City Attorney

Fifth Amendment to Purchase and Sale Agreement

This Fifth Amendment to Purchase and Sale Agreement (“**Fifth Amendment**”) is made as of August 19, 2013 by and between the Successor Agency to the Community Development Agency of The City of Menlo Park, a California public entity organized and existing under the provisions of ABx1 26, enacted June 28, 2011 ("Redevelopment Dissolution Act") and AB 1484, enacted June 27, 2012 ("Budget Trailer Bill") ("**Seller**"), and Greenheart Land Company LLC, a California limited liability company ("**Buyer**") with respect to the following facts:

A. Buyer and Seller are parties to that certain Purchase and Sale Agreement dated November 14, 2012, amended by that certain First Amendment to Purchase and Sale Agreement dated January 14, 2013, amended by that certain Second Amendment to Purchase and Sale Agreement dated February 26, 2013 (as amended, the “**Original Agreement**”), amended by that certain Third Amendment to the Purchase and Sale Agreement dated April 23, 2013, amended by that certain Fourth Amendment to the Purchase and Sale Agreement dated June 20, 2013, and in accordance with the Long Range Property Management Plan approved by the Department of Finance, regarding the real property commonly known as 735, 777, 785, 787, 791, 801, 811 and 821 Hamilton Avenue, Menlo Park, CA;

B. The parties desire to amend the Original Agreement as set forth herein. Capitalized terms not otherwise defined have the meaning given them in the Original Agreement. The Original Agreement, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and this Fifth Amendment are referred to together as the “**Agreement.**”

NOW, THEREFORE, the parties agree as follows:

1. **Conditions - Seller.** The parties acknowledge that this Agreement and the sale and transfer of the Property by Seller to Buyer remain subject to the approval of the California Department of Finance set forth in Section 6.2 of the Original Agreement. The Final Notice Date, as defined in that section 6.2, is hereby extended to November 1, 2013.
2. **Effect of Amendment.** Except as set forth herein, the Original Agreement is in full force and effect without modification. In the event of any inconsistency between the provisions of this Fifth Amendment and the provisions of the Original Agreement, the provisions of this Fifth Amendment shall control.
3. **Effective Date of Amendment.** This Fifth Amendment shall not be effective until approved by the Oversight Board and the City Council sitting as the Board of the Successor Agency, which approval shall be obtained prior to September 30, 2013, or the Agreement shall terminate. Execution of this Fifth Amendment by the Seller is contingent upon such approvals.
4. **Counterparts.** This Fifth Amendment may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be provided for any purpose. The parties hereto contemplate that they may be executing counterparts of this Fifth Amendment transmitted by facsimile or email in PDF format and agree and intend that a signature by facsimile or email in PDF format shall bind the party so signing with the same effect as though the signature were an original signature.
5. **Governing Law.** This Fifth Amendment shall be governed by, construed and enforced in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Fifth Amendment effective as of the date set forth above.

SELLER:

BUYER:

Successor Agency to the Community
Development Agency of The City of Menlo Park

Greenheart Land Company LLC, a California
limited liability company

By: _____
Alex D. McIntyre
Executive

By: _____
Scott Hassan
Managing Member

OB RESOLUTION NO. 13-009

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MENLO PARK APPROVING AMENDMENT 5 TO THE PURCHASE AND SALE AGREEMENT WITH GREENHEART LAND COMPANY FOR THE SALE OF PROPERTY OWNED BY THE FORMER COMMUNITY DEVELOPMENT AGENCY LOCATED AT 735, 777-821 HAMILTON AVENUE, IN ACCORDANCE WITH THE LONG RANGE PROPERTY MANAGEMENT PLAN APPROVED BY THE DEPARTMENT OF FINANCE.

WHEREAS, on December 3, 2012, the Oversight Board approved Resolution 12-006, approving a purchase and sale agreement for the real property located at 735, 777-821 Hamilton Avenue within the City of Menlo Park is the only real property asset owned by the former Community Development Agency; and

WHEREAS, on January 7, 2013, City of Menlo Park staff was informed that the environmental consultants hired by the buyers had discovered two issues requiring further investigation and likely remediation; and

WHEREAS, at a public meeting on January 14, 2013, the Oversight Board received a report from the Successor Agency recommending extending the buyer's due diligence period to accommodate their additional environmental investigation for twenty-one days; and

WHEREAS, at a public meeting on February 26, 2013, the Oversight Board approved a second amendment to the Purchase and Sale Agreement to accommodate additional time needed by the State Department of Finance to review and approve the sale; and

WHEREAS, at a public meeting on April 30, 2013, the Successor Agency Board approved a third amendment to the Purchase and Sale Agreement to accommodate additional time needed by the State Department of Finance to review and approve the sale; and

WHEREAS, at a public meeting on June 20, 2013, the Successor Agency Board approved a fourth amendment to the Purchase and Sale Agreement to accommodate additional time needed by the State Department of Finance to review and approve the sale; and

WHEREAS, the State Department of Finance has not yet approved the sale and the current (fourth) amendment to the Purchase and Sale Agreement expires on September 1, 2013;

NOW THEREFORE, BE IT RESOLVED, that the Oversight Board does hereby authorize the Successor Agency to enter into a fifth amendment to the purchase and sale agreement extending the buyer's due diligence period for sixty days from the date the fourth amendment expires (November 1, 2013).

I, Pamela Aguilar, Acting Secretary to the Oversight Board, do hereby certify that the above and foregoing Board Resolution was duly and regularly passed and adopted at a meeting by said Board on this nineteenth day of August, 2013, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand on this nineteenth day of August, 2013.

Pamela Aguilar
Acting City Clerk



SPECIAL MEETING *DRAFT* MINUTES MENLO PARK OVERSIGHT BOARD

Thursday, June 20, 2013, at 4:00 p.m.

*701 Laurel Street, Menlo Park, CA 94025
City Hall, First Floor, Council Conference Room*

BOARD MEMBERS:

- | | |
|--------------------------------|---------------------------|
| 1. Michele Braucht | 4. James Keller |
| 2. Reyna Farrales (Vice Chair) | 5. Starla Jerome-Robinson |
| 3. Kirsten Keith (Chair) | 6. Ahmad Sheikholeslami |

Alternate: Harold Schapelhouman

MINUTES

Call to order

The meeting was called to order at 4:05 p.m. by Chair Keith.

Present: Keith, Keller, Jerome-Robinson, Sheikholeslami.

Public Comment

There were no public comments.

Hamilton Avenue property

OB Resolution 13-007, A Resolution of the Oversight Board for the Successor Agency to the Community Development Agency of the City of Menlo Park approving the Fourth Amendment to the Purchase and Sale Agreement with Greenheart Land Company for the sale of property owned by the former Redevelopment Agency for the property located at 777-821 Hamilton Avenue to extend the time to September 1, 2013 to obtain State Department of Finance approval.

ACTION: Motion and second (Jerome-Robinson/Keller) to approve Resolution 13-007 approving the Fourth Amendment to the Purchase and Sale Agreement with Greenheart Land Company for the sale of property owned by the former Redevelopment Agency for the property located at 777-821 Hamilton Avenue to extend the time to September 1, 2013 to obtain State Department of Finance approval, passes (4-0-2; Braucht and Farrales absent).

Grant Successor Agency Staff Administrative Authority

OB Resolution 13-008, A Resolution Granting the Successor Agency Staff Administrative Authority to Spend up to \$50,000 to Obtain a Fitch Credit Rating

ACTION: Motion and second (Jerome-Robinson/Sheikholeslami) to approve Resolution 13-008 granting the Successor Agency staff administrative authority to spend up to \$50,000 to obtain a Fitch credit rating passes (4-0-2; Braucht and Farrales absent).

Information Item regarding Recognized Obligation Schedule (ROPS) 13-14B

The Recognized Obligations Schedule (ROPS) 13-14B must be prepared in the manner provided for by the State Department of Finance (DOF). The DOF is currently working on the template for the 13-14B ROPS and estimates it to be ready on or around August 15, 2013. Once the template is available, the Successor Agency will bring the 13-14B ROPS before the Oversight Board. Items on the 13-14B ROPS will include, but not limited to, \$3,071,389 for debt service obligations related to the former Community Development Agency's bonds; \$882,701 additional debt service payment made on the bonds in October 2012 due to the significant increase in the letter of credit fee; \$250,000 for the administrative costs of the Successor Agency; and \$55,000 in consultant and legal fees to assist in changing the terms of the existing letter of credit on the bonds with more favorable terms to lower the debt service payments required.

ACTION: *No Action Required*

Minutes for February 26, 2013

ACTION: Motion and second (Keller/Jerome-Robinson) to accept the minutes of the February 26, 2013, meeting, passes (4-0-2; Braucht and Farrales absent).

Adjourn

The meeting was adjourned at 4:31 p.m.