

BURBANK REDEVELOPMENT AGENCY
JUNE 17, 2003

A Study Session of the Burbank Redevelopment Agency was held in the City of Burbank Council Chamber, 275 East Olive Avenue, on the above date. The meeting was called to order at 5:34 p.m. by Ms. Murphy, Chairman.

STUDY SESSION

Present- - - - Members Campbell, Golonski, Ramos, Vander Borgh and Murphy
Absent - - - - Members None.
Also Present - Ms. Alvord, Executive Director (arrived 5:46 p.m.); Mr. Newsham, Acting Assistant City Manager; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and, Mrs. Campos, Secretary.

Study Session Ms. Davidson-Guerra, Redevelopment Manager, reported the purpose of the Study Session was to provide the Redevelopment Agency (Agency) Board with an overview of the Agency's activities and to seek direction on future priorities. She stated the Agency's activities are segregated into two basic functions: Redevelopment, which includes economic development; and Housing. She added the Study Session would discuss the current projects and programs, financial challenges; and possible solutions. She explained the City currently has four redevelopment project areas covering nearly 2,000 acres in the City, including: Golden State established in 1970 with 1,107 acres; City Centre established in 1971 with 212 acres; West Olive established in 1976 with 128 acres; and, South San Fernando established in 1997 comprising of 467 acres.

Regarding the West Olive Redevelopment Project Area, she stated it overlaps boundaries with the City's Media District, and because of the successful private investments and activities, the Agency efforts are concentrated on infrastructure improvements. She added in 2001, the Plan for the Area was amended resulting in the issuance of a \$14 million bond to finance these public improvements, of which nearly \$12.5 million is funding the State Route 134 freeway ramp project at Hollywood Way.

Regarding the Golden State Redevelopment Project Area, she explained the Area has been in a state of evolution for the past several years, moving from primarily industrial uses to more and more office and media-related uses. She noted current projects included: the implementation of the DDA with M. David Paul for the office development on the former Lockheed Corporation site; Empire Avenue Streetscape Improvement Project; and the Five Points Realignment Project. She informed the Council of the recent issuance of Tax Increment Revenue Bonds, which resulted in nearly \$33 million for capital projects, which funds may be used for

several projects including: Burbank Boulevard Streetscape; Hollywood Way improvements; Victory Boulevard improvements; utility undergrounding; Wayfinding Signage program; Development and Community Services Building (DCSB); and, old Buena Vista Library site improvements.

Ms. Davidson-Guerra described the City Center Redevelopment Project Area as including the entire Downtown area, and noted it is currently the most active and dynamic Project Area. She cited the different projects in the area which included: the AMC Project Phase I; the AMC Project Phase II, which is slated for start of construction within one year; Opportunity Site No. 2; the Burbank Village Walk Project; and, the Burbank Civic Plaza project. She added the Agency was also working toward facilitating the renovation and repositioning of the Media City Center Mall. Regarding programs, she stated the Agency implemented the Downtown Tenant Assistance Program (DTAP) and the first retailer to take advantage of this program was Urban Outfitters, scheduled for opening in February 2004. She also noted the Agency's efforts in creating a Property-Based Business Improvement District (PBID). She stated future redevelopment plans included: Opportunity Site No. 3 for the new Central Library, the DCSB, and a parking structure to support these civic services; Opportunity Site No. 5 fronting Olive Avenue between San Fernando Road and First Street; and Opportunity Site No. 6B bounded by First Street, Magnolia Boulevard, Bonnywood Place and Orange Grove Avenue. She added while the City Centre Project Area was clearly the most active, it also faced the biggest financial constraints, and cited the 1993 bonds and loans associated with the Mall parking and improvements, all of which impact the cash flow for this Project Area.

Ms. Davidson-Guerra then discussed the South San Fernando Project Area, which is only six years old, and noted the Agency was working on several infrastructure projects including: the Robert R. Ovrom Park, Phase I; the South San Fernando Streetscape Project; and property acquisitions for both the park, and the proposed acquisition of the AmeriCold site, adjacent to the Downtown Burbank Station and Burbank Water and Power. She stated the Agency was also working on several housing projects including: the 18-unit United Cerebral Palsy (UCP) Independent Living facility; the negotiations for a 33-unit for-sale project on the Lance Site; and the Burbank Senior Artists Colony scheduled to break ground in July 2003. She informed the Council in February 2003, a \$5 million Tax Increment Bond was issued, with the proceeds slated to fund the South San Fernando Streetscape

Project and a possible component of Robert R. Ovrom Park, as well as other possible opportunity purchases for the park and other infrastructure improvements. She mentioned other Agency activities including the City's Economic Development Section, which is responsible for the operation of the WorkForce Connection; business retention and expansion; and partnering sites with companies to reduce commercial vacancies in Burbank. She also stated the Agency was involved in a variety of other activities such as: coordination in the Magnolia Park area; reuse efforts for the old Buena Vista Library site; and noted Agency staff was responsible for facilitating real estate transactions for the entire City organization, as well as processing right-of-way vacations.

Ms. Davidson-Guerra discussed the financial challenges facing the Agency, considering the State's budget process, and noted the need to balance financial differences by merging Project Areas to allow for cross-collateralization of funds and allocation of funds to where they are most needed. She stated staff specifically recommended merging the Golden State, City Centre and South San Fernando Project Areas and discussed the two-tier list of project priorities for the Agency.

6:28 P.M.
Recess

The Agency recessed at this time.

Regular Meeting
Reconvened in
Council
Chambers

The regular meeting of the Redevelopment Agency of the City of Burbank was reconvened at 6:40 p.m. by Ms. Murphy, Chairman.

Invocation

The invocation was given by Chaplain Jon Arnold, Providence Saint Joseph Medical Center.

Flag
Salute
ROLL CALL

The pledge of allegiance to the flag was led by Mr. Gino Gaudio, Project and Real Estate Manager.

Present- - - - -
Absent - - - - -
Also Present - -

Members Campbell, Golonski, Ramos, Vander Borgh and Murphy.
Members None.
Ms. Alvord, Executive Director; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and, Mrs. Campos, Secretary.

7:40 P.M.
 Jt. Public Hrg. w/
 Council
 RA 70
 Acq. Of 10 W.
 Magnolia Blvd.
 (Americold Corp-
 Jonathan Daiker)

Commissioner Murphy stated that "this is the time and place for the joint public hearing of the Redevelopment Agency and the Council of the City of Burbank to 1) approve the Agency's commitment of property tax increment funds to pay for the portion of the costs related to the acquisition of 10 West Magnolia Boulevard; 2) approve a lease with Southern California Public Power Authority; and, 3) to approve various related matters required for the acquisition."

Notice
 Given

The Secretary was asked if notices had been given as required by law. She replied in the affirmative and advised that no written communications had been received.

Staff
 Report

Mr. Gaudio, Project and Real Estate Manager, requested Council and Redevelopment Agency (Agency) Board consideration of the acquisition of the property at 10 West Magnolia Boulevard; a short-term lease of that property to the Southern California Public Power Authority (SCPPA); and several related financial transactions. He stated the subject property was a 105,850 square foot (sf) rectangular site located east of the Interstate 5 freeway and west of the Lockheed Channel adjacent to the Magnolia Power Project site. He added the site was offered to the Agency and City in January 2003 by the owner, AmeriCold Logistics, for \$3.8 million, and noted the prior offer in 1998 for \$2 million at which time the Agency lacked financing to complete the transaction. He informed the Council funding sources were now in place, partly offset by a pre-paid lease agreement with SCPPA. He further described the property was improved with a 68,256 sf cold storage building and that an appraisal by Norris Realty Advisors dated February 13, 2003 indicated the offer amount to be the fair market value of the property.

Mr. Gaudio noted AmeriCold Logistics indicated a desire to consolidate the Burbank facility with other facilities in Southern California providing the City with an opportunity to purchase this property rather than allow another company to acquire it. He stated staff was recommending the acquisition be funded from three sources; 1) City Fund 127 Development Impact Fees; 2) Redevelopment Agency funds; and 3) a pre-paid lease payment from SCPPA. He added the total acquisition price was \$3,800,000, with an additional \$8,000 in anticipated closing costs, for a total of \$3,808,000 and that SCPPA would contribute \$1,089,070 as a pre-paid lease payment with the remaining balance of approximately \$2,718,930 to be acquired through a combination of City contribution of \$1,359,465 from Fund 127 Development Impact Fees; a contribution of \$679,732.50 from a loan from the Golden

State Redevelopment Project Area to the City to the South San Fernando Redevelopment Project Area; and a contribution of \$679,732.50 from a loan from the Golden State Redevelopment Project Area to the City. He stated the City and Agency would hold the title to this property jointly.

He further explained the proposed property acquisition was being recommended for three primary reasons: 1) SCPPA had an immediate need for construction staging and the close proximity of the AmeriCold site is ideal for this use; 2) as Burbank's transportation programs expand the site could meet the needs of providing a facility for the local transit vehicles as well as a bike station, which will enhance the linkage between the Downtown Station and the Chandler accessway; and 3) the Redevelopment Agency has identified this site as a prime redevelopment site (Opportunity Site No. 7, Burbank Center Plan) for a transit-oriented, mixed-use project.

He concluded the acquisition agreement estimated to close escrow on the property on August 31, 2003, with a possible two-week extension; the SCPPA pre-paid lease agreement was for a 24 month period at a base rate of 70 cents per sf which was the fair market appraised value; and, that the property was being purchased for transit-related uses which were considered under the Environmental Impact Reports (EIRs) for the South San Fernando Project and the Burbank Center Plan, though subsequent California Environmental Quality Act (CEQA) review would be necessary for specific projects as the property was further developed.

Citizen
Comment

Appearing to comment were Mike Nolan, stating he supports the acquisition of the property as it is a proper use of redevelopment, although he disagrees with the funding process, in disagreement with Burbank Water and Power's proposed landscape plan, and commenting on the change of name of the Downtown Burbank Station; and Esther Espinoza, inquiring as to why the City chose Norris Realty Advisors to appraise the property, and the reason the City did not purchase the property when it was offered for sale a few years ago.

Hearing
Closed

There being no further response to the Mayor's invitation for oral comment, the hearing was declared closed.

Mr. Gaudio further explained the funding sources for acquisition of the property and noted the ability of Norris Realty Advisors to provide the City with a high quality appraisal.

Mr. Vander Borght noted the tremendous opportunity to make use of this property to improve transportation facilities and public services.

Mr. Golonski recalled the prior opportunity for the City to purchase the property was not pursued due to a pending Redevelopment Agency acquisition and that thereafter the former owner took the property off the market. Ms. Davidson-Guerra, Assistant Community Development Director/Housing and Redevelopment, responded in agreement that there was a pending acquisition of properties on South Front Street to provide more parking in relation to the expansion of the Regional Transportation Center which created a funding shortfall resulting in a finding of benefit to the Golden State Redevelopment Project Area for funding. In addition, the prior owner of the subject property merged with AmeriCold Logistics Corporation thereby not selling the property. Mr. Golonski indicated support for the acquisition of the property.

Motion

It was moved by Mr. Golonski and seconded by Mr. Vander Borght that "the following resolutions be passed and adopted:"

RA 70

Loan Agrmt. w/
City & Amend.
FY 02-03 Budget
(S. San Fernando
Project Area)

RESOLUTION NO. R-2067:

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING THE EXECUTION OF A LOAN AGREEMENT WITH THE CITY AND AMENDMENT OF FY 2002-2003 AGENCY BUDGET REFLECTING A TRANSFER OF \$679,732.50. (SOUTH SAN FERNANDO PROJECT AREA).

City Council
Reso. Adopted

The Council Resolution No. 26,502 Approving an Acquisition Agreement Among the City, Agency and Americold Corporation for the Acquisition of 10 West Magnolia Boulevard; Approving the Payment of the Cost of Land for Public Improvements to be owned and operated by the City; Approving a Cooperation Agreement Between the Agency and City Relating to the Ownership of 10 West Magnolia; Approving a Lease Agreement Among the Agency, City and SCPPA; and Approving an Amendment of FY 2002-2003 Budget to Receive \$679,732.50 from Golden State Project Area was adopted.

6/17/03

RA 70
Acq. Agrmt. w/
City & Americold
Corp. for 10 W.
Magnolia; Public
Improv.; Coop.
Agrmt. w/City;
Lease Agrmt. w/
City & SCPPA;
Amend FY 02-03
(Golden State
Project Area)

RESOLUTION NO. R-2068:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING AN ACQUISITION AGREEMENT AMONG THE CITY, AGENCY AND AMERICOLD CORPORATION FOR THE ACQUISITION OF 10 WEST MAGNOLIA BOULEVARD; APPROVING THE PAYMENT OF THE COST OF LAND FOR PUBLIC IMPROVEMENTS TO BE OWNED AND OPERATED BY THE CITY; APPROVING A COOPERATION AGREEMENT BETWEEN THE AGENCY AND CITY RELATING TO THE OWNERSHIP OF 10 WEST MAGNOLIA; APPROVING A LEASE AGREEMENT AMONG THE AGENCY, CITY AND SCPPA; AND APPROVING AN AMENDMENT TO FY 2002-2003 BUDGET TO TRANSFER \$679,732.50 FROM GOLDEN STATE PROJECT AREA TO THE CITY.

Adopted

The resolutions were adopted by the following vote:

Ayes: Members Campbell, Golonski, Ramos, Vander Borgh and Murphy.
Noes: Members None.
Absent: Members None.

8:08 P.M.
Recess

The Agency recessed at this time and reconvened at 9:01 p.m. with all members present.

9:01 P.M.
Jt. Mtg. w/
Council, Housing,
Parking & YES
RA 42-1
Adoption of FY
03-04 Annual
Budget, Citywide
Fee Sch. &
Appro. Limit

Mr. Hanway, Financial Services Director, presented the proposed Fiscal Year 2003-04 Annual Budget to the Council, Redevelopment Agency, Housing Authority, Parking Authority and Youth Endowment Services (YES) Fund Board for adoption, in conjunction with the Citywide Fee Schedule and Appropriations Limit. He stated pursuant to the City Charter, a public hearing was properly noticed and conducted on June 10, 2003 at which time the Council received public comment, and provided direction to staff as to what should be incorporated into the Adopted Annual Budget, including the elimination of the Transient Parking Tax increment from 10 to 12 percent and the related \$300,000 projected revenue which has been off-set by the Burbank Water and Power Set-Aside Fund.

Mrs. Ramos expressed concern regarding the Police Department's elimination of funding for the Probation Officer at the Outreach Center. She acknowledged the challenge in balancing the budget but noted this was a very key program, and stated the probation officer made over 6,000 contacts with the community over a year. She requested that funds be set aside to continue funding this position pending the County's budget process.

Mr. Campbell inquired whether the State Citizen Option for Public Safety (COPS) grant funds could be used to fund the position, and Chief Hoefel responded that such use would be inappropriate.

Mr. Golonski was supportive of Mrs. Ramos' suggestion and also requested the Council set aside \$750,000 of the available one-time funds, in the form of a matching grant fund, to assist the Burbank Unified School District (BUSD).

Mr. Vander Borcht noted the quality of the public school system was paramount to the value and functions of the community and expressed support for putting the matter on a future agenda for consideration.

Mr. Campbell indicated support for Mr. Golonski's request but noted the current budgetary challenges facing the City and stated while he would consider several ways of assisting the BUSD, he was not willing to make a commitment at this time.

Mrs. Ramos stated she was not supportive of setting aside funds at this time but acknowledged the need to initiate discussion on the issue.

Mayor Murphy stated she was not supportive of the proposal, and noted the City's non-recurring expenses to the BUSD are becoming recurring, since a new program is considered every year. She stated she was willing to help the BUSD in other ways and noted the City's prior efforts for joint ventures and synergies to reduce costs which were turned down by the School Board. She stated her preference to wait on the School Board's actions regarding their budget as well as their commitment to energy conservation and joint ventures with the City. She noted the City has undergone a very difficult budget reduction process making it extremely difficult to put more money aside for the School District.

Mr. Vander Borcht requested the City's Joint Use Agreement with the School District be reviewed to ascertain whether the City is meeting its responsibility in maintaining the School District's infrastructure which is used by the community at large.

Mr. Golonski requested this matter be brought back prior to the July 16, 2003 joint Council/School Board meeting.

Motion It was moved by Mr. Vander Borcht and seconded by Mr. Campbell that "the following resolutions be passed and adopted:"

City Council The Council Resolution No. 26,503 Adopting the Budget for Fiscal

6/17/03

Reso. Adopted Year 2003-2004, Providing for the Transfer of Revenue from the Burbank Water & Power Department to the General Fund, and Making Appropriations for Amounts Budgeted was adopted.

City Council
Reso. Adopted The Council Resolution No. 26,504 Determining and Establishing the City's Appropriations Limit for Fiscal Year 2003-2004 was adopted.

City Council
Reso. Adopted The Council Resolution No. 26,505 Amending the Budget for Fiscal Year 2002-2003 Providing for the Purpose of Making Appropriations for Amounts Delineated was adopted.

City Council
Reso. Adopted The Council Resolution No. 26,506 Adopting the Burbank Fee Resolution was adopted.

RA 42-1
Adopt Budget
for FY 02-03 RESOLUTION NO. R-2069:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK ADOPTING THE BUDGET FOR FISCAL YEAR 2003-2004.

Housing Auth.
Reso. Adopted The Housing Authority Resolution No. H-181 Adopting the Budget for Fiscal Year 2003-2004 was adopted.

Parking Auth.
Reso. Adopted The Parking Authority Resolution No. P-60 Adopting the Budget for Fiscal Year 2003-2004 was adopted.

YES Fund Board
Reso. Adopted The Youth Endowment Services Fund Board Resolution No. Y-33 Adopting the Budget for Fiscal Year 2003-2004 was adopted.

Adopted The resolutions was adopted by the following vote:

Ayes: Members Campbell, Golonski, Ramos, Vander Borgh and
Murphy.
Noes: Members None.
Absent: Members None.

Motion It was moved by Mrs. Ramos and seconded by Mr. Campbell that "the following items on the consent calendar be approved as recommended:"

Minutes Approved The minutes for the regular meetings of March 25 and April 1, 2003 were approved as submitted.

RA 50 Remarket 1993 Golden State Redev. Proj. Taxable Tax Alloc. Bonds & Sr. Lien Tax Alloc. Bonds

RESOLUTION NO. R-2070:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK AUTHORIZING THE COMMENCEMENT OF PROCEEDINGS IN CONNECTINO WITH THE REMARKETING OF THE OUTSTANDING 1993 GOLDEN STATE REDEVELOPMENT PROJECT SUBORDINATE LIEN TAXABLE TAX ALLOCATION BONDS AND THE PURCHASE IN-LIEU OF REDEMPTION OF A PORTION OF THE OUTSTANDING 1993 GOLDEN STATE REDEVELOPMENT PROJECT SENIOR LIEN TAX ALLOCATION BONDS AND RETAINING AN UNDERWRITER, A FINANCIAL ADVISORY, A BOND COUNSEL AND A DISCLOSURE COUNSEL.

Adopted The consent calendar was adopted by the following vote:

Ayes: Members Campbell, Golonski, Ramos, Vander Borght and Murphy.
Noes: Members None.
Absent: Members None.

9:48 P.M. Recess The Agency recessed at this time to permit the Housing Authority and the City Council to continue their meetings. The Agency reconvened at 9:55 p.m. for public comment with all members present.

10:05 P.M. Adjournment There being no further business to come before the Agency, the meeting was adjourned at 10:05 p.m.

Secretary

APPROVED SEPTEMBER 16, 2003

Chairperson