

MINUTES of a special meeting of the Board of Directors of the Redevelopment Agency of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, on Monday, June 22, 2009, at 2:14 P.M.

PRESENT Jon Harrison, Chairperson
Pat Gilbreath, Vice Chairman
Mick Gallagher, Boardmember
Jerry Bean, Boardmember

ABSENT Pete Aguilar, Boardmember

STAFF N. Enrique Martinez, Executive Director; Daniel J. McHugh, Agency Attorney; Tina Kundig, Finance Director/Agency Treasurer; Daniel Hobbs, Redevelopment Agency Director; and Lorrie Poyzer, Agency Secretary

Public Comments - Chairperson Harrison called the special meeting of the Board of Directors of the Redevelopment Agency to order and provided an opportunity for the public to address them on the subjects which were scheduled on the agenda. None were forthcoming.

Minutes - On motion of Mrs. Gilbreath, seconded by Mr. Gallagher, the minutes of the regular meetings of June 2, 2009, and June 16, 2009, were approved as submitted.

JOINT MEETING - REDEVELOPMENT AGENCY AND CITY COUNCIL

Joint Resolution - Seizure by State Government of City Funds - Mrs. Gilbreath explained that in the Governor's final May budget revision, he proposed the seizure of almost \$1 billion in city and county shares of revenues in the Highway Users Tax Account (HUTA) from the motor fuel tax (or gallonage gas tax) to fund past and future highway bond debt service payments out of the State General Fund. If the Governor's recommendation is enacted into law, attorneys employed and retained by the League of California Cities are of the opinion that the action would be unconstitutional. The League of California Cities is encouraging California cities to consider passing a resolution that directs City/Agency Attorneys to cooperate with the League, other cities and counties in planning litigation challenging the constitutionality of the proposed seizure of city and county funds. Such action does not commit the city to filing litigation, but it directs the Agency Attorney to cooperate and work with the League and other local governments to advance the litigation. In addition, the League is encouraging cities with Redevelopment Agencies to pass a resolution opposing the latest proposal from the State to seize \$1.050 billion of tax increment monies from Redevelopment Agencies over a three-year period beginning with Fiscal Year 2008-2009. The City's share of Highway Users Tax (Gas Tax) funds included in the 2009-2010 proposed budget was estimated at \$910,000.00. Since presentation of the proposed budget, the League of California Cities Fiscal Advisor has provided projections for cities and estimates

the City of Redlands' share at \$1,164,206.00. Under the Governor's proposal, cities would lose 100 percent of their share in 2009-2010 and 75 percent in the subsequent fiscal year. Approval of this joint resolution assists the League's efforts to save these tax dollars for California cities and counties. Agency by agency impacts of seizure of redevelopment agency tax increment dollars have not yet been determined, however an earlier budget proposal to transfer \$350 million from Redevelopment Agencies during Fiscal Year 2008-2009 resulted in a \$491,412.00 impact to the City of Redlands Redevelopment Agency. Accordingly, if \$1.050 billion is taken from Redevelopment Agencies over three years, the Redlands Redevelopment Agency may expect to lose \$491,412.00 or more each year. Mrs. Gilbreath moved to adopt a joint resolution of the City Council of the City of Redlands and the Board of the Redevelopment Agency of the City of Redlands authorizing the City Attorney/Agency General Counsel, and the City and Agency staff, to cooperate with the League of California Cities, the California Redevelopment Association, and other California cities, counties and Redevelopment Agencies in potential litigation challenging the constitutionality of any seizure by State government of the City's Street Maintenance Funds and any seizure of Redevelopment Agency tax increment funds. Motion seconded by Mr. Gallagher and carried by AYE votes of all present with Mr. Aguilar having been absent during the afternoon session. (Also see City Council minutes dated June 22, 2009.)

PUBLIC COMMENTS

None forthcoming.

RECESS

The Board of Directors' meeting of the Redevelopment Agency recessed at 2:15 P.M. to a closed session to discuss the following:

1. Conference with real property negotiator - Government Code §54956.8

Property: APNs 0171-053-01 and 02

Agency negotiators: N. Enrique Martinez and Dan Hobbs

Negotiating party: General Growth Properties

Under negotiation: Terms and price

Due to a potential conflict of interest, Mr. Bean did not participate in this matter; a Public Disclosure of Potential Conflict of Interest form is on file in the City Clerk's Office.

The Board of Directors' meeting of the Redevelopment Agency reconvened at 2:55 P.M.

CLOSED SESSION REPORT

Redevelopment Attorney McHugh announced there was no reportable action taken during the closed session.

ADJOURNMENT

There being no further business, the Board of Directors' meeting of the Redevelopment Agency adjourned. The next regular meeting will be held on July 7, 2009.