



**CITY OF RIVERBANK
LOCAL REDEVELOPMENT AUTHORITY
MEETING**



City Hall Council Chambers
6707 Third Street • Riverbank • CA 95367

REVISED

AGENDA

MONDAY, JUNE 25, 2012 – 6:00 P.M.

CALL TO ORDER: Chair Virginia Madueño

ROLL CALL: Chair Virginia Madueño
Vice Chair Dotty Nygard
Authority Member Richard O'Brien
Authority Member Jeanine Tucker
Authority Member Jesse James White

CONFLICT OF INTEREST
Declaration by Chair, Authority Members and Staff who would have a direct Conflict of Interest on any scheduled agenda item to be considered.

1. PRESENTATIONS None.

2. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the LRA. Individual comments will be limited to a **maximum of 5 minutes** per person and each person may speak once during this time. Time cannot be yielded to another person. Under State Law, matters presented under this item cannot be discussed or acted upon at this time by the LRA. The public will be invited to make comments on agenda items when the item comes up for Authority consideration. For Closed Session items, the public will be invited to make comments before the meeting is recessed to Closed Session. For record purposes, you must step up to the podium, state your name, and speak into the microphone when addressing the LRA.

3. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the Local Redevelopment Authority unless otherwise requested by an individual Authority Member for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

Item 3.A: Waive Readings. All Readings of ordinances and resolutions, except by title, are waived.

Item 3.B: Approval of the June 11, 2012, Local Redevelopment Authority Meeting Minutes.

Recommendation: Approve Consent Calendar by roll call vote.

4. UNFINISHED BUSINESS

Item 4.1: **Formation of a Local Redevelopment Authority Ad-Hoc Citizen Advisory Committee** - It is recommended that the LRA Board approve the formation of the City of Riverbank Local Redevelopment Authority Ad-Hoc Citizen Advisory Committee (“Committee”).

5. PUBLIC HEARINGS

***Item 5.1:** **Public Hearing and Resolution Approving the Local Redevelopment Authority Budget for Fiscal Year 2012-2013** – It is recommended that the Local Redevelopment Authority (“LRA”) conduct the public hearing and adopt the Resolution authorizing the budget approval for Fiscal Year 2012-2013.

ANNOUNCE AND RECESS TO CLOSED SESSION ITEM 8.1

6. NEW BUSINESS

Item 6.1: **Resolution Approving the Submittal of an Extension to the Existing Office of Economic Adjustment Grant and a Supplemental Fund Request in Support of the Local Redevelopment Authority** – It is recommended that the Local Redevelopment Authority (“LRA”) Approve by Resolution an extension to our current grant from the Office of Economic Adjustment (OEA) for additional funds to support the LRA administration and assist in activities associated with conveyance and implementation of the facility Reuse Plan. This extension is for an additional six months.

Item 6.2: **Request to Extend the Tolling Agreement Between Watson Road Holding Corporation (D/B/A Stuart B. Millner & Associates) and the City of Riverbank Local Redevelopment Authority** – It is recommended that the Local Redevelopment Authority (“LRA”) Board execute a 12-month extension to the existing tolling agreement between Watson Road Holding Corporation (D/B/A Stuart B. Millner & Associates) so that it does not lapse before the Memorandum of Agreement for the economic development conveyance application can be finalized.

Item 6.3: **Resolution Allowing the Local Redevelopment Authority Executive Director to Negotiate and the City Manager to Execute a Supplemental Lease Agreement for the Remediation and Disposal of Army Surplus Personal Property** – It is recommended that the Local Redevelopment (“LRA”) Board approve a resolution that authorizes the Executive Director as agent for the Agency to conduct negotiations, and submit documents for execution by the City Manager associated with the Supplemental Agreement No. 5 Department of the Army Lease No. DACA05-3-1-525 pertaining to the remediation and disposal of contaminated, Army-owned, surplus personal property at the former Riverbank Army Ammunition Plant (“RAAP”).

7. COMMENTS

Item 7.1: Staff Comments: (Information Only – No Action)

Item 7.2: Authority Comments: (Information Only – No Action)

8. CLOSED SESSION

Item 8.1: **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Pursuant to Government Code § 54956.8
Property: APN # 062-031-007; APN #062-031-006; APN #062-008-009
Agency Negotiator: Jill Anderson, City Manager
Property Negotiator: U.S. Army
Under Negotiation: Price and Terms of Payment

Recommendation: Council to give direction to Staff.

RECONVENE FROM CLOSED SESSION

9. REPORT FROM CLOSED SESSION

Item 9.1: Report on Item 8.1: **CONFERENCE WITH REAL PROPERTY NEGOTIATORS** – Property: APN # 062-031-007; APN #062-031-006; APN #062-008-009
Price and Terms of Payment

CONTINUE WITH NEW BUSINESS ITEMS

ADJOURNMENT

AFFIDAVIT OF POSTING

<p>I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board 72 hours prior to the meeting.</p>

<p>Dated this 21nd day of June, 2012 Annabelle Aguilar, CMC, Acting City Clerk</p>

Notice Regarding Americans with Disabilities Act:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (209) 863-7122. Notification 48-hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA Title II].

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Riverbank Redevelopment Agency shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

General Information: The Local Redevelopment Authority meets on a "as needed" basis.

Agency Agendas: The Local Redevelopment Authority agenda is available for public review at the City's website at www.riverbank.org and City Clerk's Office, 6707 Third Street, Riverbank, California generally 72 hours prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

Public Hearings: In general, a public hearing is an open consideration within a regular meeting of the LRA, for which special notice has been given and may be required. During a specified portion of the hearing, any resident or concerned individual is invited to present protests or offer support for the subject under consideration.

Questions: Contact the City Clerk at (209) 863-7198 or aaguilar@riverbank.org

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 3.A**

SECTION 3: CONSENT CALENDAR

Meeting Date:	June 25, 2012
Subject/ Title:	Waiver of Readings
From:	Jill Anderson, City Manager
Submitted by:	Annabelle Aguilar, CMC, Acting City Clerk

RECOMMENDATION

It is recommended that the Local Redevelopment Authority Board approve the waiver of readings of Ordinances and Resolutions, except by title.

SUMMARY

The approval of the waiver of readings will allow Ordinances and Resolutions to be introduced by title only and acted upon without the need to read the entire text of the item into the public record. The documents related to proposed Ordinances and Resolutions are available for review by the public on the City's website and in the City Clerk's office at City Hall (North).

FINANCIAL IMPACT

There is no financial impact.

ATTACHMENTS

There are no attachments.

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 3.B**

SECTION 3: CONSENT CALENDAR

Meeting Date:	June 25, 2012
Subject/ Title:	Approval of the June 11, 2012, Local Redevelopment Authority Minutes
From:	Jill Anderson, City Manager
Submitted by:	Annabelle Aguilar, CMC, Acting City Clerk

RECOMMENDATION

It is recommended that the Local Redevelopment Authority Board approve the Minutes.

SUMMARY

The Draft Minutes of the June 11, 2012, Local Redevelopment Authority meeting have been prepared for the Authority's review and approval.

FINANCIAL IMPACT

There is no financial impact.

ATTACHMENT

1. June 11, 2012, Minutes

3. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the Redevelopment Agency unless otherwise requested by an individual Agency Member for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

Item 3.A: Waive Readings. All Readings of ordinances and resolutions, except by title, are waived.

Item 3.B: Approval of the May 14, 2012, Local Redevelopment Authority Meeting Minutes.

Item 3.B-1: Approval of the May 30, 2012, Local Redevelopment Authority Special Study Session Meeting Minutes.

Item 3.C: Request for Local Redevelopment Authority Executive Director to Travel to Washington, D.C. for Negotiations with the Army.

Recommendation: Approve Consent Calendar by roll call vote.

Reference Item 3.C: Jill Anderson, City Manager, stated that the travel dates have changed to July.

ACTION: *By motion (Tucker / O'Brien / passed 4-0) to approve Consent Calendar Items 3.A through 3.C as presented; motion carried by unanimous roll call vote.*

ABSENT: Authority Member White

4. UNFINISHED BUSINESS: None

5. PUBLIC HEARINGS: None

6. NEW BUSINESS:

Item 6.1: **Review of the Local Redevelopment Authority Draft Budget for FY 2012-2013** – Recommendation is for the LRA Board to review the draft 2012-2013 Local Redevelopment Authority (“LRA”) budget and provide comments as needed for incorporation into the final draft budget which will be presented for action on June 25, 2012.

Debbie Olson, LRA Executive Director, presented the staff report; the Authority Board and Staff discussed the item.

Authority Member O'Brien requested more specificity, more details, and a breakdown much like how the City Departments provide budget information; no one objected.

***Public Comment:** Mr. Scott McRitchie, spoke in regards to several concerns he had with the budget as presented.*

Item 6.2: Formation of a Citizen Committee – Recommendation is to discuss and consider the formation of an Ad-Hoc Citizen Committee(s) with the general purpose of receiving information on the transfer and workings of the Local Redevelopment Authority (“LRA”) and provide input to the LRA Board on concerns or issues to be determined including appropriate commemorative action and activities for the Riverbank Army Ammunition Plant upon transfer.

Debbie Olson, LRA Executive Director, presented the staff report; discussion on the development of the Committee ensued.

Action: Council directed Staff to return with a draft application clearly identifying the mission of the committee, and to recommend a selection process based on a subcommittee of the Council to interview applicants and make recommendations to the full council for appointment.

7. COMMENTS

Item 7.1: Staff Comments: (Information Only – No Action) *None.*

Item 7.2: Authority Comments: (Information Only – No Action)

Authority Member O’Brien stated he appreciated the tour of the McClellan Business Park and commended Staff for their work.

ADJOURNMENT

There being no further business, Chair Madueño adjourned the meeting at 8:12 p.m.

ATTEST:

APPROVED:

Annabelle Aguilar, Acting Secretary

Virginia Madueño, Chair

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 4.1**

SECTION 4: UNFINISHED BUSINESS

Meeting Date:	June 25, 2012
Subject/Title:	Formation of a Local Redevelopment Authority Ad-Hoc Citizen Advisory Committee
From:	Jill Anderson, City Manager
Submitted by:	Debbie Olson, Executive Director Local Redevelopment Authority

RECOMMENDATION

It is recommended that the LRA Board approve the formation of the City of Riverbank Local Redevelopment Authority Ad-Hoc Citizen Advisory Committee (“Committee”).

SUMMARY

At the 6/11/12 LRA Board meeting, the Board requested a proposal for the formation of a citizen advisory committee that would improve understanding about the Riverbank Army Ammunition Plant, clarify information about the workings of the LRA, and advance the public support for the reuse project as a whole.

The Board also directed staff to present a proposal for a Committee that would focus on the regional economic development opportunities that the RAAP is and will continue to offer. The vision is that the LRA Economic Development Committee would be a forum for tenants, finance and/or real estate professionals, industry representatives, and regional economic development representatives to discuss how to best position the site for long-term success. A proposal for this committee will be presented at a future Local Redevelopment Authority meeting.

PROPOSED RAAP CITIZEN ADVISORY COMMITTEE

The basic components of a Riverbank citizen advisory committee are presented here for Board comment and discussion.

Purpose: The Local Redevelopment Authority believes in the active involvement and participation of the community to advance the mission, goals, and vision for Reuse of

the former Riverbank Army Ammunition Plant. The Ad Hoc Advisory Committee (“Committee”) is formed by the Board for the purpose of providing knowledge and information to the community, seeking feedback and recommendations, while providing an opportunity for community wide involvement in the reuse and redevelopment of the former Riverbank Army Ammunition Plant.

Membership: The Committee would be comprised of five voting community members and one non-voting LRA Board Member, if the Board so desires. LRA staff will act as the staff liaison to support the Committee. Any resident age 18 years and older from Riverbank who is interested in serving a term from nine months to one year is invited to apply. Selection is at the discretion of the LRA Board of Directors, the City Manager and the LRA Executive Director. It is suggested that a subcommittee of the City Council, consisting of the Mayor and a Councilmember, review the applications and recommend the selected candidates for City Council confirmation.

Schedule: Committee meetings are anticipated to occur monthly, and will be posted for public notice and attendance. Meetings will be held in the Local Redevelopment Authority Conference Room, Building 17, at the former Riverbank Army Ammunition Plant, 5300 Claus Road. The Committee would end 90 days after the full and legal transfer of the Riverbank Army Ammunition Plant from federal to local control. It is possible that members of the Citizen Advisory Committee would be interested in applying for a position on the proposed LRA Economic Development Committee or another committee that could be formed if needed to meet the needs of the LRA Board at that time.

Applicants interested in serving on this Committee should submit an application to the LRA during the public solicitation period TBD. Applications can be dropped off in person, mailed via USPS or emailed to info@riverbanklra.org.

The Committee will appoint a Chair and a Vice Chair by a majority vote of the Committee for, both of which will be voting members. Either position is subject to change pending a majority vote of the Committee.

A suggested outline of topics for presentation and discussion follows:

- BRAC Process Explained
- Riverbank Army Ammunition Plant History and Characteristics (Tour Included)
- Understanding the Local Redevelopment Authority
- LRA Revenues, Expenses (Grants, Loans, Leveraging)
- Business Tenants and Facility Operations
- Marketing, Branding, Outreach, Social Media
- Use of a Master Developer
- Environmental Services Cooperative Agreement/Early Transfer
- Commemorating/Honoring the Facility’s Place in Riverbank History

FINANCIAL IMPACT:

The direct costs associated with the formation of the Local Redevelopment Authority Ad Hoc Citizen Advisory Committee are minimal and could be absorbed in the existing budget; however, there will be a significant investment of staff time to provide adequate support to the proposed committee.

ATTACHMENTS:

There are no attachments.

REVISED
RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 5.1

SECTION 5: PUBLIC HEARING

Meeting Date:	June 25, 2012
Subject/ Title:	Public Hearing and Resolution Approving the Local Redevelopment Authority Budget for Fiscal Year 2012-2013
From:	Jill Anderson, City Manager
Submitted by:	Debbie Olson, Executive Director

RECOMMENDATION:

It is recommended that the Local Redevelopment Authority (“LRA”) conduct the public hearing and adopt the Resolution authorizing the budget approval for Fiscal Year 2012-2013.

SUMMARY:

Attached you will find the proposed budget for Fiscal Year 2012-2013.

It reflects an estimated \$2,761,254 in revenues, coming from anticipated real property leases, and miscellaneous revenue in addition to the balances of federal and state grants and Army payment for operation and protection for caretaking of the former Riverbank Army Ammunition Plant.

The budget proposes \$2,543,840. The key expenditures include salaries, operating expenses, contractual obligations, insurance premiums, and grant funded projects underway. As a condition of the lease with the Army, all revenues must be spent within the boundaries of the property.

See spreadsheet below for a more detailed summary of the proposed budget.

FISCAL IMPACT:

The budget presented anticipates a balanced budget for the noted 12-month period, and a surplus of funds totaling \$217,414 at the end of the fiscal year.

ATTACHMENTS:

1. FY 2012-2013 LRA Budget – Detailed Spreadsheet of Revenues and Expenditures
2. Resolution

Statement of Revenue and Expenses

Riverbank Local Redevelopment Authority
2012-13 Proposed Budget

<u>Revenue</u>	<u>FY 2010-11 Actual</u>	<u>2011-12 Budget</u>	<u>2011-12 Year to Date</u>	<u>2012-13 Budget</u>	<u>% Change</u>
Beginning Balance				296,538	
<i>OEA Grants</i>	853,945	800,000	282,730	775,476	-3.1
<i>Rents</i>	929,755	1,060,000	730,048	1,040,000	-1.9
<i>Sale of Real Property</i>		500,000			-100.0
<i>Sale of Personal Property</i>					
<i>DOD Caretaker Revenue</i>	903,707	313,604	282,245	282,240	-10.0
<i>CDBG PTA</i>	32,785	14,920	14,920		-100.0
<i>EECBG Grant</i>		206,310			-100.0
<i>ED Bank - Specific Plan</i>	25,887	150,000		68,000	-54.7
<i>Utility Revenue from Tenants</i>	158,544	245,265	152,020	200,000	-18.5
<i>General Fund in Fund 213 (Grant Match)</i>	29,854				
<i>Miscellaneous Revenue</i>	15,632	24,000	28,975	24,000	0.0
<i>Other Revenue</i>				75,000	100.0
Total Revenue	2,950,109	3,314,099	1,490,939	2,761,254	-16.7
Expenditures					
<i>Salaries/Benefits</i>	384,876	406,630	211,825	521,390	28.2
<i>Administrative Expenses</i>	47,436	38,950	33,541		34.1
<i>Travel</i>				15,000	
<i>Equipment</i>				11,350	
<i>Office Supplies/Legal Ads</i>				13,940	
<i>Phones</i>				4,800	
<i>Copier</i>				3,060	
<i>Postage</i>				3,000	
<i>Janitorial</i>				1,100	
<i>Professional Services</i>	219,334	319,300	124,909		-10.7
<i>Legal</i>				130,000	
<i>Other Services</i>				155,200	
<i>Insurance Premiums</i>	116,730	180,000		120,000	-33.3
<i>Facility Operations & Maintenance</i>	252,383	385,000	124,154		-53.2
<i>Well maintenance</i>				1,500	
<i>Permits</i>				4,000	
<i>Water Testing</i>				5,000	
<i>Electrical PM</i>				100,000	
<i>Fire Supression Maintenance</i>				8,000	
<i>Landscaping</i>				7,000	
<i>Propane</i>				3,000	
<i>Repairs</i>				51,500	
<i>Common Area Costs</i>	298,743	402,000	260,737	350,000	-12.9
<i>Infrastructure Improvements</i>		200,000	6,622	26,000	-87.0
<i>Future Grant Match</i>		250,000	2,141	301,000	20.4
<i>Tenant Improvements</i>		150,000	140,611		-100.0
<i>Facility Management/Security Services Contract</i>	678,315	551,573	384,158		13.3
<i>Security</i>				175,000	
<i>Facility Management</i>				450,000	
<i>Marketing/Branding</i>	51,119	30,000		5,000	-83.3
<i>CDBG PTA Expenditures</i>		3,685	3,685		-100.0
<i>EECBG Grant</i>		206,310	204,370		-100.0
<i>DCE Contract</i>	470,180	150,000	10,253	78,000	-48.0
Total Expenditures		3,273,448	1,412,213	2,543,840	-22.3
Net Revenues Less Expenditures	2,519,116	40,651	78,726	217,414	434.8

RIVERBANK LOCAL REDEVELOPMENT AUTHORITY

RESOLUTION

**A RESOLUTION OF THE RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AUTHORIZING THE BUDGET APPROVAL FOR FISCAL YEARS 2012-2013**

WHEREAS, The Riverbank Local Redevelopment Authority (“LRA”) acts in accordance to the Defense Base Closure and Realignment Act of 1990; and,

WHEREAS, the LRA has obtained a lease to operate and manage the 175 acre premises, including the private sector businesses leasing space on the site; and,

WHEREAS, as a condition of the lease with the Army, the LRA must obligate all of its revenues to be spent on the protection and maintenance of the facilities; and,

WHEREAS, the LRA has executed leases with said tenants and incurred obligations to expend funds in protecting and maintaining the site, and is projecting financing the project in accordance with the attached budget.

NOW, THEREFORE, BE IT RESOLVED, that the Local Redevelopment Authority of the City of Riverbank hereby approves the budget for Fiscal Years 2012-2013 accordingly:

1. Revenues are estimated to be approximately \$2,761,254;
2. Expenditures and reserves are estimated to be approximately \$2,543,840;
3. And the balance is estimated to be approximately \$217,414.

PASSED AND ADOPTED by the Local Redevelopment Authority of the City of Riverbank at a meeting held on the 25th day of June, 2012; motioned by Authority Member _____, seconded by Authority Member _____, and upon roll call was carried by the following vote of ____.

AYES:

NAYS:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Annabelle Aguilar, CMC
Acting Secretary

Virginia Madueño
Chair

Attachment: LRA Final Budget for FY 2012-13

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 6.1**

SECTION 6: NEW BUSINESS

Meeting Date: June 25, 2012

Subject/ Title: **Resolution** Approving the Submittal of an Extension to the Existing Office of Economic Adjustment Grant and a Supplemental Fund Request in Support of the Local Redevelopment Authority

From: Jill Anderson, City Manager

Submitted by: Debbie Olson, Executive Director

RECOMMENDATION

It is recommended that the Local Redevelopment Authority (“LRA”) Approve by Resolution an extension to our current grant from the Office of Economic Adjustment (OEA) for additional funds to support the LRA administration and assist in activities associated with conveyance and implementation of the facility Reuse Plan. This extension is for an additional six months.

BACKGROUND

The Riverbank Local Redevelopment Authority (LRA) was formed in accordance with Base Closure and Realignment (BRAC) law and is the federally recognized entity to address all local base closure issues. Under the BRAC Redevelopment Act, the LRA has several key responsibilities. These include preparing the reuse plan, identifying and recommending appropriate disposal mechanisms to implement the reuse plan, initiating interim reuse and receiving conveyances of property. Additionally, the LRA is responsible for maintenance and operations of the Riverbank Army Ammunition Plant on behalf of the Army until conveyance.

OEA is the Department of Defense's primary source for assisting communities that are adversely impacted by base closures or realignments. In this capacity, OEA offers technical and financial assistance to BRAC communities and coordinates the involvement of other Federal Agencies. OEA also supports the implementation phase with similar grants. OEA grants are funded, for eligible expenses, with 90% coming from OEA and the remaining 10 % funded by the Agency, City or other funding source (such as grants). The Riverbank LRA is self-supporting, and takes no assistance from the City's General Fund. Match is provided by lease revenue or other grant support.

Over the past five years, OEA has funded a variety of expenses including but not limited to LRA salaries and administrative expenses, office equipment, travel, legal services associated with the conveyance and a variety of studies that build the knowledge about the facility and aid in better informed decisions about the reuse. Additionally, OEA has been an invaluable source of information on base closure process and an advocate for the LRA.

CURRENT OEA GRANT

The current OEA grant was awarded in April 2011. Absent any changes, the current grant would conclude on June 30, 2012, a 15-month total grant period. The initial grant award from OEA is \$778,588. During the course of this grant, the resources were to be channeled in two directions: implementing the reuse plan and on tasks associated with conveyance, which included several consultant studies.

In April 2012, as the grant reached the final reporting quarter, OEA contacted the LRA about the amount of surplus of unexpended grant funds that had accumulated. The amount, if not spent is estimated at \$293,005. We were reminded that unexpended grant funds are not looked upon favorably and should be avoided.

The reasons for the accumulation of surplus funds are two-fold. At the time the grant was developed, it was anticipated that LRA staffing would expand due to additional responsibilities of a growing tenancy and because of new responsibilities and oversight associated with the early transfer agreement. Additional staff support was written into the grant and funded by OEA. While the workload of the project was consistent with expectations of the grant, unexpected staffing shortages were experienced (i.e., Project Specialist was on loan to the City for over 10 months), City Council actions taken to reduce costs (i.e., employees participating 7% for retirement and furloughs) and a hiring freeze precluded the LRA from filling vacant positions. Surplus from salaries and benefits amounted to an estimated \$159,735.

With fewer staff, work activities were prioritized with leasing and transfer activities taking precedent. Three OEA-funded consultant studies that, under the normal course of activities would have been procured, analyzed and completed during the term of the grant, were sidelined. Other consultant work (i.e., title search, financial audit) was intended to coincide with the transfer and will be postponed until conveyance. The surplus from these studies totaled \$133,270.

GRANT EXTENSION AND SUPPLEMENTAL REQUEST

After meeting with OEA, it was determined that the best solution was to prolong this grant through December 2012, and expend the surplus grant funds. The LRA is also asking for additional funds during this extension period to fund administration, equipment purchases and legal services. The request is as follows:

Category		Surplus	Additional Funds Requested	OEA Grant (July – Dec 2012)	LRA Match
Salaries/Benefits		\$159,735	\$47,228		\$5,247
Travel			\$ 7,599		0
Equipment			\$15,440		\$3,860
Supplies			\$10,746		\$1,194
Contractual		\$133,270	\$63,000		\$7,000
TOTAL		\$293,005	\$144,013	\$437,018	\$17,301

FISCAL IMPACT

The extended grant amount to be requested will be \$144,013 with a match of \$17,301 coming from leasehold revenue. The grant will offset all or part of the salaries of six City staff members.

ATTACHMENT

1. Resolution

RIVERBANK LOCAL REDEVELOPMENT AUTHORITY

RESOLUTION

**A RESOLUTION OF THE CITY OF RIVERBANK LOCAL REDEVELOPMENT
AUTHORITY APPROVING AN EXTENSION TO THE EXISTING OFFICE OF
ECONOMIC ADJUSTMENT GRANT AND A SUPPLEMENTAL FUND REQUEST IN
SUPPORT OF IMPLEMENTATION OF THE LOCAL REDEVELOPMENT
AUTHORITY ACTIVITIES**

WHEREAS, the Riverbank City Council, as the recognized and designated Local Redevelopment Authority (LRA) for the Riverbank Army Ammunition Base, is initiating the implementation of the LRA's redevelopment plan as prepared under BRAC law and regulation; and

WHEREAS, the Office of Economic Adjustment (OEA) is authorized under Title 10, U.S. C. Section 2391 to provide technical and financial assistance to local governments when the Secretary of Defense determines that the community will experience substantial economic harm with the closure of a military installation; and

WHEREAS, the Riverbank LRA is eligible to receive economic funding for furthering the operations and implementation of the Reuse Plan.

NOW THEREFORE, BE IT RESOLVED, that the Local Redevelopment Authority of the City of Riverbank hereby authorizes the submission of a grant extension to OEA for additional funding in support of implementing the LRA and the City's plan for redevelopment of the Riverbank Army Ammunition Plant.

PASSED AND ADOPTED by the Local Redevelopment Authority of the City of Riverbank at a meeting held on the 25th day of June, 2012; motioned by Authority Member _____, seconded by Authority Member _____, and upon roll call was carried by the following vote of ____

AYES:

NAYS:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Annabelle Aguilar, CMC
Acting Secretary

Virginia Madueno
Chair

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 6.2**

SECTION 6: NEW BUSINESS

Meeting Date:	June 25, 2012
Subject/ Title:	Request to Extend the Tolling Agreement Between Watson Road Holding Corporation (D/B/A Stuart B. Millner & Associates) and the City of Riverbank Local Redevelopment Authority
From:	Jill Anderson, City Manager
Submitted by:	Debbie Olson, Executive Director

RECOMMENDATION

It is recommended that the Local Redevelopment Authority (“LRA”) Board execute a 12-month extension to the existing tolling agreement between Watson Road Holding Corporation (D/B/A Stuart B. Millner & Associates) so that it does not lapse before the Memorandum of Agreement for the economic development conveyance application can be finalized.

SUMMARY

In law, there is a statute of limitations on most civil claims. Statutes of limitations generally limit the period after an occurrence in which a claim can be brought. This means that individuals lose the right to file a claim in court after a certain amount of time has passed.

There are, however, times when it benefits both the plaintiff and the defendant to extend or waive the statute of limitations. A tolling agreement is the legal document that affirms that both parties wish to dismiss the statute of limitations.

Attorney’s for both Watson Road Holding Corporation and the LRA have recommended the extension of the tolling agreement signed initially on March 31, 2011, and expired on June 14, 2012, be extended an additional 12-months from the date of expiration.

The LRA entered into an agreement with Watson Road Holding (“WRH”) for services surrounding the disposal of the Army surplus property left behind at the Riverbank Army Ammunition Plant. These services included inventorying the surplus property, staging it for auction, selling the equipment by whatever means and collecting payment from purchasers. The term of the contract ran from June 2010 through March 2011. When the contract expired, WRH was holding \$400,000 in an account from the sale of scrap metal and deposits from tenants for equipment to be sold upon delivery of a bill of sale.

After the contract had expired, the LRA received an administrative claim from WRH. WRH alleges that they are entitled to additional payments. This assumes there was authority for the disposal. Added to that are a number of other legal issues associated with ownership, but central to the disposition of the claim is the issue of authority to dispose and the rights to the proceeds.

Discussions with the Army and an investigation over the property that was sold concluded with no action being taken. It was decided that the funds being held by WRH would belong to the LRA once the bills of sale associated attached to the Memorandum of Agreement ("MOA") to the economic development conveyance application is signed.

Until the MOA is signed, no action or claim upon those funds in holding can be clearly executed by the LRA. After discussions of these issues with the disposal contractor's attorney, it was agreed that it is mutually advantageous to suspend consideration and action on the claim until later. The proposed suspension, which is embodied in the tolling agreement, is without prejudice to each party's legal rights and defenses. It is for this reason that we recommend the tolling agreement be extended from the date of expiration until the MOA is executed.

FISCAL IMPACT:

Extending the tolling agreement has no direct fiscal impact to the City or the LRA.

ATTACHMENT

1. **Tolling Agreement** – This document is an extension of the existing tolling agreement and, if executed, will set aside the statute of limitations on any claims associated with the contract for property disposal between WRH and the LRA.
2. **Contract for Property Disposal between WRH and the LRA** – This contract is noted as Exhibit A in the tolling agreement.

TOLLING AGREEMENT

This Tolling Agreement (“Agreement”) is made as of June 15, 2012 (“Effective Date”) by and between Watson Road Holding Corporation, D/B/A/ Stuart B. Millner & Associates (“SBMA”) and the City of Riverbank Local Redevelopment Authority (“LRA”). This Agreement terminates on June 15, 2013 (“Termination Date”) unless it is extended in accordance with the terms and conditions as set forth below. The aforementioned persons and entities are collectively referred to herein as “the Parties”.

RECITALS

A. Potential claims have arisen between the Parties arising out of an Asset Management Contract entered into between the Parties on or about June 15, 2010, a true and correct copy of which is attached hereto as Exhibit A.

B. The Parties to this Agreement in consideration of the covenants and conditions contained herein and for other valuable consideration, including, but not limited to, the mutual avoidance of costs, and the inconvenience and uncertainties relating to any litigation of potential claims in the absence of a tolling agreement, desire to enter into this tolling agreement.

C. By entering into this tolling agreement, the Parties intend and desire to toll any and all statutes of limitations or other time limitations, including but not limited to time limitations set forth in the Tort Claims Act (California Government Code Sections 810 et. seq.).

NOW, THEREFORE, in consideration of the above recitals, and the mutual covenants contained herein, each of the undersigned Parties hereby agrees and covenants as follows:

1. The period only from the Effective Date of this agreement to the termination of the Agreement (“tolling period”) shall not be asserted or relied upon in any way by any Party to this Agreement against any other Party, in computing the running of time under any statute of limitations or by way of laches or other time limitations (whether equitable, statutory, contractual or otherwise) with respect to any action, complaint, cross-complaint, claim, counterclaim or third-party complaint or cross-complaint (hereafter “Claim”), however styled, filed hereafter, by any Party.

2. This Agreement, and the tolling period created hereby, will continue through June 15, 2013, except as follows: If any Party wishes to end the tolling period, such party will give the other Party thirty (30) days written notice of such decision, after which the statute of limitations and laches period will continue to run. Upon termination, the tolling period from the Effective Date to the date of termination shall not be asserted or relied upon in any way in computing the running of time under any statute of limitations (whether equitable, statutory, contractual or otherwise), with respect to any Claim, however styled, filed hereafter, between any Parties hereto.

3. The execution of this Agreement shall in no way operate as an admission of liability or responsibility on the part of any Party hereto.

4. This Agreement is binding on the Parties hereto and their respective parent corporations or shareholders, subsidiaries, affiliated entities, heirs, administrators, successors, and assigns.

5. This Agreement constitutes the entire and integrated agreement of the Parties with respect to the subject matter hereof, and may not be altered, modified or amended except in a writing signed by all of the Parties hereto.

6. This Agreement shall be deemed to have been drafted by all Parties to this Agreement.

7. This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original; however, all such counterparts shall constitute but one and the same instrument. Fax signed copies shall be treated as originals.

8. Any individual signing this Agreement on behalf of a corporation, partnership, trust, or other entity, represents and warrants that he has full authority to do so, and has obtained all necessary approvals to execute and carry out the terms of this Agreement.

9. Each Party agrees to refrain from filing any claim or suit against the other with respect to the potential claims described above so long as this Agreement remains in effect. However, any Party may file a claim or suit against the other Party once either Party has given written notice of an intent to terminate the Agreement pursuant to paragraph 2.

Dated: June____, 2012

Watson Road Holding Corporation, D/B/A
Stuart B. Millner & Associates

By: _____
Name: Stuart B. Millner
Title: President & CEO

Dated: June____, 2012

City of Riverbank Local Redevelopment Authority

By: _____
Name:
Title:

ASSET MANAGEMENT CONTRACT

THIS AGREEMENT, entered into as of June 15, 2010 is by and between **Watson Road Holding Corporation, D/B/A Stuart B. Millner & Associates (SBMA)**, 102 E Springfield Union Mo 63084, a Missouri Corporation and **City of Riverbank Local Redevelopment Authority (LRA)**, 6707 Third Street., Riverbank, CA 95367 ("**Seller**").

WITNESSED:

WHEREAS, Seller has control of certain personal property assets and real estate located at 5300 Claus Rd (the former Riverbank Army Ammunition Plant); and

WHEREAS, Seller will acquire ownership of certain personal property assets and real estate located at 5300 Claus Rd (the former Riverbank Army Ammunition Plant; and

WHEREAS, Seller desires to retain SBMA to conduct a liquidation of certain assets located at the site.

NOW, THEREFORE, in consideration of the conditions and the mutual covenants set forth herein, the parties hereto agree as follows:

1. **RETENTION.** Seller hereby retains SBMA, as its exclusive agent, to manage and sell the Assets upon the terms and conditions set forth herein.
2. **TERM OF AGREEMENT.** This Agreement shall commence as of the date hereof and shall continue in effect until March 31, 2011 (the "Termination Date". This Agreement may be renewed for an additional

term of sixty days (60) days upon written agreement by both parties.

3. COMMISSION, EXPENSES, & BUYERS PREMIUM. A 10%

commission shall be charged to the LRA on all sales and a 15% commission shall be charged to buyers on their sales. SBMA will pay for all expenses in the performance of this contract except exceptional expenses which will be negotiated separately.

No buyer's commission shall be charged to the existing tenants who purchase assets. In addition, there shall be no charge to the LRA for any assets being used by the LRA and its contractors.

4. RECONCILIATION AND PAYMENT TO SELLER. Proceeds from the

sale of the Assets shall be paid by purchasers of the Assets directly to SBMA. A reconciliation of sales for the previous fiscal quarter day period will be made by the 15th of the following month. SBMA shall pay the net sales proceeds to Seller (90% of sales excluding the buyer's premium detailed in paragraph 3.) (or as directed by Seller) at the time of each such accounting.

5. ADVERTISING. SBMA may advertise the sale of the Assets in its usual

and customary manner and may prepare such promotional materials and utilize such marketing media as SBMA shall determine to be the most advantageous for the sale of the Assets. Seller hereby authorizes SBMA to use Seller's name and address in promotional materials pertaining to the sale of the Assets by SBMA for the purposes of identifying the owner and the location of the Assets. All inquires to the LRA will be directed SBMA who will promptly address any issues.

SELLER: Local Redevelopment Authority
Debbie Olson, Executive Director
6707 Third Street
Riverbank, CA 95367
Telephone: (209) 863 9316
(fax) (209) 863-8071

10. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties and supersedes all prior oral or written understandings and agreements. No changes of, modification of, or additions to this Agreement shall be valid unless the same shall be in writing and signed by Seller and SBMA.

IN WITNESS WHEREOF, the undersigned have executed this Agreement, in duplicate, as of the date first above written.

"SBMA"

Stuart B. Millner & Associates

By: 

Stuart B. Millner
Title: President & CEO

Date: 6 / 16 / 10

"SELLER"

City of Riverbank
Local Redevelopment Agency

By: Debbie Olson
Debbie Olson, Executive Director

Date: 6/21/10

EXHIBIT A

SBMA will create an "Exhibit A" which is the list of Assets that are available to be sold.

This list will be presented to the LRA for approval.

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 6.3**

SECTION 6: NEW BUSINESS

Meeting Date:	June 25, 2012
Subject/ Title:	Resolution Allowing the Local Redevelopment Authority Executive Director to Negotiate and the City Manager to Execute a Supplemental Lease Agreement for the Remediation and Disposal of Army Surplus Personal Property
From:	Jill Anderson, City Manager
Submitted By:	Debbie Olson, Executive Director, Local Redevelopment Authority

RECOMMENDATION

It is recommended that the Local Redevelopment (“LRA”) Board approve a resolution that authorizes the Executive Director as agent for the Agency to conduct negotiations, and submit documents for execution by the City Manager associated with the Supplemental Agreement No. 5 Department of the Army Lease No. DACA05-3-1-525 pertaining to the remediation and disposal of contaminated, Army-owned, surplus personal property at the former Riverbank Army Ammunition Plant (“RAAP”).

BACKGROUND

In 2009, PCB-containing Galbestos paneling was discovered as siding and roofing on several of the main RAAP buildings. Subsequent testing found PCB contamination from exfoliated Galbestos particles present on stored equipment and other surfaces throughout the buildings. Most of the contamination is present as dust particles, although testing also found that some PCB had penetrated building and equipment paint.

The Army’s mission at RAAP ended in March 2010 when the last casing rolled off the production line. The Army gave the LRA caretaker responsibilities for the facility until the final property transfer beginning April 1, 2010. Protection and maintenance extended to an inventory of over 8,000 miscellaneous items considered surplus personal property, also intended to transfer to the LRA upon final conveyance.

Much of the property consists of large pieces of heavy manufacturing equipment that has been left in place in the production buildings. These are the buildings paneled with

Galbestos noted above. Due to the contamination of much of the equipment, Environmental Protection Agency (“EPA”) will not allow it to be put into commerce until it is remediated.

REMEDICATION OF CONTAMINATED PERSONAL PROPERTY

Critical to the ability for the LRA to attract new tenants and generate revenue to fund additional redevelopment activities is the removal of this surplus equipment to create manufacturing space. To that end, the LRA and the Army have met cooperatively with EPA several times to work out an approach to clean up and remove the personal property using an approach that generally follows procedures and standards established in the existing EPA regulations and allows the work to start at the earliest possible opportunity. At this writing, the approval letter from EPA is in the process of finalization.

The Army can handle the remediation of the personal property through the environmental services cooperative agreement (“ESCA”), but that may take six or more months to finalize. The more expedient way is to remediate and dispose of the personal property through a contract with the LRA to perform those services. The operations and maintenance lease already in place is the perfect vehicle to facilitate this activity and had been used for other maintenance activities at the facility that the LRA has taken on behalf of the Army.

It is highly unique situation for a lease negotiation to operate on a short timetable, but the need to obligate federal funds prior to July 1 constrains the ability to bring the amendment back for full board approval a second time.

The LRA, in consultation with Weston Solutions, an environmental services contractor publicly procured to support the ESCA work, have been asked to forward a proposal and a lease amendment to the Army to perform the remediation and/or disposal of contaminated surplus personal property. The work is highly prescribed by the EPA regulations, so the job cost has little flexibility. The negotiations will center on technical questions such as, “How many samples will be taken?” “How long will you run an air monitor?” and “How long does it take to sand blast a particular piece of equipment?”

The work is expected to take six months to complete and early estimates have the cost to perform the work pegged at something in excess of \$10 million.

REQUEST FOR AUTHORITY TO NEGOTIATE

Due to the short window of opportunity given to have the document executed, the LRA is requesting temporary authority be given to the Executive Director to provide all documentation to the Army, to complete key negotiations, and get final signatures on the lease amendment as soon as requested without interruption to keep the Army funding on track.

FISCAL IMPACT

No impact to the General Fund. Favorable fiscal impact is anticipated, but the exact results are unknown until negotiations have concluded.

ATTACHMENTS

1. Resolution
2. Supplemental Agreement No. 5 to the Army Lease No. DACA05-3-1-525

RIVERBANK LOCAL REDEVELOPMENT AUTHORITY

RESOLUTION

**A RESOLUTION OF THE CITY OF RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT DOCUMENTS
ON BEHALF OF THE AUTHORITY REGARDING THE DEPARTMENT OF THE ARMY
SUPPLEMENTAL AGREEMENT NUMBER FIVE TO LEASE NO. DACA05-3-1-525**

WHEREAS, the Local Redevelopment Authority by approval of a general resolution may authorize an officer, agent or designee to negotiate, execute and submit documents on behalf of the Authority; and,

WHEREAS, timely execution and submission of documents is necessary and desired for optimal operation of the Authority; and,

WHEREAS, many documents require authorization by a designated City official to be valid.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director of the Local Redevelopment Authority is hereby authorized to conduct negotiations, execute and submit all documents associated with the Supplemental Agreement Number Five with the Department of the Army, which may be necessary for remediation and/or disposal of waste surplus personal property at the Riverbank Army Ammunition Plant.

PASSED AND ADOPTED by the Local Redevelopment Authority of the City of Riverbank at a meeting held on the 25th day of June, 2012; motioned by Authority Member _____, seconded by Authority Member _____, and upon roll call was carried by the following vote of ____

AYES:

NAYS:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

**Annabelle Aguilar, CMC
Action Secretary**

**Virginia Madueno
Chair**

Attachment: Supplemental Agreement No. 5 to lease no. DACA05-3-1-525

AGREEMENTS

1
2
3 **1. CONDITION NO. 26 entitled “ENVIRONMENTAL PROTECTION”** is amended
4 by adding the following paragraph (1):
5

6 “(1) The Lessor hereby requests that the Lessee cause the remediation of the
7 non-liquid polychlorinated biphenyls (“ni-PCBs”) on the personal property listed
8 on Exhibit I attached hereto.
9

10 (i) The Lessor agrees to pay the Lessee \$_____ to cause the
11 performance of the scope of work set forth in Exhibit J attached hereto.
12

13 (ii) Upon completion of the scope of work set forth in Exhibit J
14 attached hereto, the Lessee shall notify the Lessor in writing. Following such
15 notification, the personal property listed on Exhibit I may be conveyed to the
16 Lessee in accordance with the terms and conditions of that certain *Agreement*
17 *Between the United States of America Acting by and through the Secretary of the*
18 *Army United States Department of the Army and the City of Riverbank Local*
19 *Redevelopment Authority for Conveyance of Portions of the Riverbank Army*
20 *Ammunitions Plant Located in Riverbank, Stanislaus County, California* dated
21 _____, 2012..
22

23 (iii) This section does not modify Lessor’s obligations to indemnify the
24 Lessee, its successors and assigns, and any sublessee, subtenant, or licensee of the
25 Lessee under the Lease, to the extent required and limited by applicable law.”
26

27 2. Exhibit I of the Lease and Exhibit J of the Lease are set forth in Exhibit A and Exhibit
28 B, respectively, to this Supplemental Agreement No. 5, attached hereto and incorporated herein.
29

30 3. All other terms of said Condition remain unchanged.
31

32 **[Signature Page Follows]**

