CITY OF
HAYWARD
HEART OF THE BAY

OFFICE OF THE CITY CLERK

DATE: January 14, 2009

TO: City Council

FROM: Miriam Lens, Deputy City Clerk

RE: Revision to City Council Minutes 12/16/08

Council/RA Member May has asked that the minutes of December 16, 2008, paragraph two of page five be revised as follows:

It currently reads:
"Council/RA Member May noted that the First-Time Homebuyer Program's promotion on the City's website referenced a telephone number that alluded to the program being temporarily suspended. Redevelopment Director Bartlett clarified that the program had not been suspended and would ensure that the website was corrected. In response to how much was budgeted towards the First-Time Homebuyer Program for the current fiscal year, Ms. Bartlett indicated $500,000. In addition, Ms. May added that through her e-mail newsletter, she had helped put together a commercial real estate brokers' networking activity for leasing out Cinema Place."

Proposed to read:
*"Council/RA Member May noted that the First-Time Homebuyer Program's promotion on the City's website referenced a telephone number that alluded to the program being temporarily suspended. Redevelopment Director Bartlett clarified that the program had not been suspended and would ensure that the **outgoing greeting** was corrected. In response to how much was budgeted towards the First-Time Homebuyer Program for the current fiscal year, Ms. Bartlett indicated $500,000. In addition, Ms. May added that **in response to** her e-mail newsletter, she had **been asked to help** put together a commercial real estate brokers' networking activity for leasing out Cinema Place."*

Mayor Sweeney has asked that the minutes of December 16, 2008, third paragraph of page three of Consent Item No. 5, be revised as follows:

It currently reads:
"Mayor Sweeney requested that the resolution be amended to reflect cooperation from the Hayward Unified School District. City Manager Jones was amenable to the proposed amendments."

Proposed to read:
*"Mayor Sweeney requested that the resolution be amended to reflect **the need for** cooperation from the Hayward Unified School District. City Manager Jones was amenable to the proposed amendments."*

With the changes noted above, I respectfully request approval of the amended minutes.

MINUTES OF THE SPECIAL CITY COUNCIL/ REDEVELOPMENT AGENCY MEETING OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, December 16, 2008, 8:00 p.m.

MEETING

The Special Meeting of the City Council/Redevelopment Agency was called to order by Mayor/Chair Sweeney at 8:00 p.m., followed by the Pledge of Allegiance led by Council/RA Member Zermeño.

ROLL CALL

Present:	COUNCIL/RA MEMBERS Zermeño, Quirk, Halliday, May, Dowling, Henson MAYOR/Chair Sweeney
Absent:	COUNCIL/RA MEMBER None

PRESENTATION

The Business Recognition Award for December 2008 was presented to Neumanali Restaurant. Neumanali opened its doors in 2004 and dedicated to creating good American Cuisine in a transformed Victorian building across from City Hall. Owner Julie McKillop is not only a local CPA and chef, but she is committed to the community as she sits on the board of both the Hayward Chamber of Commerce and Spectrum Community Services. She is also a Planning Commission and Hayward Sustainability Committee member. Neumanali Restaurant has contributed to the City of Hayward by: providing a positive restaurant experience for Hayward residents and visitors; celebrating its 5th Anniversary in February 2009; and contributing to the overall economic wellbeing of the City. Ms. McKillop accepted the award and thanked Council for such an honor.

CLOSED SESSION ANNOUNCEMENT

City Attorney Lawson announced that at its closed session the Council met with real property negotiators regarding outstanding issues pertaining to State-owned parcels within the City of Hayward. He stated that Council did not take reportable action.

PUBLIC COMMENTS

Mr. Dan Henriquez, currently homeless, had questions related to the collection of waste. Mayor Sweeney noted that City Manager Jones would be able to address his questions.

Ms. Cathy Rodriguez, East Lewelling Boulevard resident, spoke about an encounter with Hayward Police officers when her house was invaded and Police reports falsified. She reported that she filed complaints against the Police Department. In response to Mayor Sweeney, City Manager Jones stated that Police Chief Ace was aware of the complaint and was currently reviewing it.

Mr. Terrence A. Beard, attorney representing Ms. Margaret Dufresne, appealed to Council to act as mediator to the Dufresne v. City of Hayward case. Mr. Beard proposed that Council discuss litigation regarding the case in a closed session. Mayor Sweeney advised Mr. Beard to discuss the request with City Attorney Lawson.

Mr. Doug Ligibel, Grand Terrace resident and member of the Downtown Hayward Neighborhood Watch and Police Department Downtown Ambassador Program, spoke about the downtown area and adolescent and youth crime. He asked Council to address the problem of adolescent crime and its influence by peers.

CONSENT CALENDAR

Consent Item Nos. 2 and 5 were removed for further discussion.

1. Approval of Minutes of the City Council Meeting on November 25, 2008

It was moved by Council Member Henson, seconded by Council Member Dowling, and unanimously carried, to approve the minutes of the City Council Meeting of November 25, 2008.

2. Approval of Minutes of the Special City Council/Redevelopment Agency Joint Meeting on December 2, 2008

At the request of Council/RA Member Halliday, the minutes were held over for review.

3. Resolution Authorizing Participation in the California Employer's Retiree Benefit Trust Program (CERBT), and Establishing the City Manager, Assistant City Manager, and Director of Finance as Authorized Representatives of the City to the CERBT

> Staff report submitted by Interim Director of Finance Bell, dated December 16, 2008, was filed.

It was moved by Council Member Henson, seconded by Council Member Dowling, and unanimously carried, to adopt the following:

> Resolution 08-173, "Resolution Authorizing the City's Participation in the California Employer's Retiree Benefit Trust (CERBT) and Execution of Related CERBT Documents, Approving the Transfer of Funds to the CERBT and Establishing Authorized Representatives of the City to the CERBT"

4. Resolution Authorizing the Implementation of a Fifty-Two Hour Furlough and Approving Resolution Authorizing the Holiday Closure of Non-Essential City Operations Between December 22, 2008 and January 2, 2009

> Staff report submitted by City Manager Jones, dated December 16, 2008, was filed.

It was moved by Council Member Henson, seconded by Council Member Dowling, and unanimously carried, to adopt the following:

Resolution 08-174, "Resolution Authorizing the Implementation of a Fifty-Two Hour Furlough and Authorizing the Holiday Closure of Non-Essential City Operations Between December 22, 2008 and January 2, 2009"

5. Resolution to BART Board of Directors Regarding Conditions at the Hayward BART Stations

Staff report submitted by City Manager Jones, dated December 16, 2008, was filed.

Council Member Henson supported the proposed resolution, but he requested that the resolution be amended to add more police presence from BART.

Council Member Halliday thanked Mr. Ligibel for addressing concerns about the crime in downtown Hayward.

Mayor Sweeney requested that the resolution be amended to reflect cooperation from the Hayward Unified School District. City Manager Jones was amenable to the proposed amendments.

It was moved by Council Member Zermeño, seconded by Council Member Henson, and unanimously carried, to adopt the following including amending bullet one of the resolution by asking for additional police presence from BART and adding a bullet asking BART to work cooperatively with the Hayward Unified School District:

Resolution 08-176, "Resolution Outlining the City's Concerns about Hayward BART Station Conditions"

6. Authorization for the City Manager to Execute a Professional Services Agreement with BKF Engineers for Design and Construction Administration Services for the Carlos Bee Boulevard Realignment Project

Staff report submitted by City Manager Jones, dated December 16, 2008, was filed.

It was moved by Council Member Henson, seconded by Council Member Dowling, and unanimously carried, to adopt the following:

Resolution 08-175, "Resolution Authorizing the City Manager to Negotiate and Execute a Professional Services Agreement with BKF Engineers for Design and Construction Administration Services in Connection with the Carlos Bee Realignment Project, Project No. 5105"

LEGISLATIVE BUSINESS & INFORMATIONAL ITEMS

7. Adoption of the Annual Report of Redevelopment Agency Activities for FY 2008

> Staff report submitted by Redevelopment Director Bartlett, dated December 16, 2008, was filed.

Redevelopment Director Bartlett gave a synopsis of the report and responded to questions from Council.

In response to Council/RA Member Henson's inquiry regarding foreseeing additional payments to the State, Redevelopment Director Bartlett expected the City to make a payment to the State in May of 2009 to the Education Revenue Augmentation Fund (ERAF) for approximately $900,000. Ms. Bartlett also added that the State had proposed additional payments and that a lawsuit was filed against the State by the California Redevelopment Association and the Redevelopment Agency in Southern California. In reference to the Listing of Land held for Redevelopment FY 2007-2008, Appendix B, Page 21, Ms. Bartlett responded that many of the properties including Cannery properties will be off the books as of FY 2009 because they were conveyed to the Hayward Unified School District.

Council/RA Member Halliday recommended that as part of the Annual Report to the State Controller, the payment due in May be addressed as something that will negatively impact the plans for the Redevelopment Agency. Redevelopment Director Bartlett was amenable to including it as part of the report.

In response to Council/RA Member Zermeño's inquiry about when loans are due back, Redevelopment Director Bartlett indicated that they are contingent on the type of loan, with First-Time Homebuyer loans due following the year after which they are made and some housing loans contingent on the value of the property reaching a certain threshold. In reference to foreclosures and bankruptcies, Ms. Bartlett indicated that they would be written off, which would mean a loss to the Redevelopment Agency. She added that First-Time Homebuyer loans have had a low rate of default.

Council/RA Member Dowling commended Redevelopment Director Bartlett and City staff for the best year of improvements in downtown. In response to Mr. Dowling's inquiry regarding an update on the Mika project at Centennial Hall, Assistant City Manager David noted that the Mika project is progressing with the developer's solid commitment from a hotel. She indicated that more updates on the project will be forthcoming. In reference to tenants for the Cinema Place, Ms. Bartlett noted that Blake Hunt Ventures mentioned Metro Crepes and Wingstop Chicken Wing Restaurant. In reference to the 99 Cent Store and Bobby Lee's Country Smokehouse properties, Ms. Bartlett indicated that one of the properties was purchased and the other was in escrow and once acquisition of the properties is complete, demolition would occur followed by a financial assessment of the site.

Council/RA Member Quirk commended Redevelopment Director Bartlett for her presentation. In response to Mr. Quirk's inquiry about the financial health of the agency at the end of 2009, Ms. Bartlett anticipated that in the next couple of years, revenue from bonds would have to be utilized

to undertake more projects. Assistant City Manager David noted that staff was planning to bring back, tentatively in the first week of February, a revised Ten-Year Plan for the Agency, which would address the concern. Mr. Quirk referred to the Mayer Hoffman McCann P.C. letter, which noted that the *Management's Discussion and Analysis* was necessary but not required, and inquired why it was not included as part of the financial statements. Ms. David indicated that the analysis is a common and preferred inclusion in audit reports, which had not been traditionally included for the Redevelopment. She recognized its helpfulness and noted that it would be included in forthcoming years.

Council/RA Member May noted that the First-Time Homebuyer Program's promotion on the City's website referenced a telephone number that alluded to the program being temporarily suspended. Redevelopment Director Bartlett clarified that the program had not been suspended and would ensure that the website was corrected. In response to how much was budgeted towards the First-Time Homebuyer Program for the current fiscal year, Ms. Bartlett indicated $500,000. In addition, Ms. May added that through her e-mail newsletter, she had helped put together a commercial real estate brokers' networking activity for leasing out Cinema Place.

There being no public comments, Mayor/Chair Sweeney opened and closed the public hearing at 8:59 p.m.

It was moved by Council/RA Member Dowling, seconded by Council/RA Member Halliday, and unanimously carried, to adopt the following:

> Resolution 08-177, "Resolution Acknowledging Receipt of the Annual Report of Redevelopment Agency Activities for Fiscal Year 2008"
>
> RA Resolution 08-12, "Resolution Adopting the Annual Report of Redevelopment Agency Activities for Fiscal Year 2008"

8. Amendment to Epic Aviation Leasehold at Hayward Executive Airport

> Staff report submitted by Airport Manager Partin, dated December 16, 2008, was filed.

Director of Public Works Bauman gave a synopsis of the report.

Council Member Quirk mentioned the discussions he had with Mr. Turney, Henderson, Briggs, and City staff and thanked everyone for their spirit of cooperation. Mr. Quirk thanked staff for bringing forward the self-service gas station. He was favorable of keeping the pilots content.

In response to Council Member Henson's inquiry regarding changes since the October 30th Council Airport Committee meeting, Director of Public Works Bauman noted that details of the lease were

negotiated.

In response to Mayor Sweeney's inquiry about who had seen a copy of the amended Epic Aviation Lease, Director of Public Works Bauman mentioned that the amended lease was reviewed by City Attorney Lawson.

Mayor Sweeney opened the public hearing at 9:10 p.m.

Mr. Jerry Turney, middle class Hayward pilot, submitted a letter for the record and supported the amended lease; however, he requested a standardization of the small hangar rent to the formula that is used for large corporate hangars. Council Member Quirk thanked Mr. Turney for the concerns raised and informed him that they would be addressed before the Council Airport Committee at its next meeting.

Mr. Doug King submitted a speaker card, but he did not address Council.

Mr. Gary Briggs, President of Ascend Development, appreciated Mr. Turney's support. Mr. Briggs mentioned that the property tax collected from larger hanger rents would generate a substantial income to the City. He added that the proposed project, based on small and large hangars, would add between $250,000 and $350,000 per year of property tax revenue.

Mayor Sweeney closed the public hearing at 9:16 p.m.

In response to Mayor Sweeney's concern for the Epic Aviation Lease failing to be attached to the staff report, City Manager Jones responded that past practice did not require it, but he was amenable to change the procedural process.

Council Member Henson offered a motion to adopt the attached resolution per staff recommendation.

Council Member Quirk seconded the motion.

Council Member Henson thanked Mr. Turney and the pilots for their input and assured them that their concerns would be addressed at the Council Airport Committee meeting and then brought back to Council. Based on experience from the Noise Forum in Oakland, Mr. Henson indicated that a variety of hangars made sense and provided opportunity to take advantage of the market. In terms of the lease, he noted that in 2004, Council did not see the lease but only the amendments. He was also amenable to changing this past practice.

Discussion ensued which consummated in clarification related to the language of the amendment to the lease being outlined in the staff report, which was reviewed by the City Manager, the City Attorney, and the Director of Public Works.

Council Member Quirk supported the amendment and expressed the importance of setting a time limit for developments and the availability of self service Avgas to small pilots. Mr. Quirk noted that T-hangars were more expensive because they required more walls. He favored the agreement and Mr. Turney's support.

Council Member Halliday, as a Council Airport Committee member, supported the motion with mixed sentiment related to concerns about amendments to the Airport Layout Plan and the space to accommodate the increasing number of larger planes. She thanked those involved in putting together a proposal that reached consensus.

It was moved by Council Member Henson, seconded by Council Member Quirk, and unanimously carried, to adopt the following:

> Resolution 08-178, "Resolution Authorizing the City Manager to Negotiate and Execute an Amendment to the Lease with Epic Aviation at the Hayward Executive Airport"

COUNCIL REPORTS

There were no Council reports.

ADJOURNMENT

Mayor/Chair Sweeney adjourned the meeting at 9:29 p.m., wishing everyone a Merry Christmas and a Happy and Prosperous New Year.

APPROVED:

_____
Michael Sweeney, Mayor, City of Hayward
Chair, Redevelopment Agency

ATTEST:

_____
Miriam Lens, Deputy City Clerk, City of Hayward
Secretary, Redevelopment Agency