

MINUTES
REGULAR MEETING
OF THE
SEDC BOARD OF DIRECTORS
JUNE 23, 2010



Southeastern
Economic
Development
Corporation

T 619.527.7345
F 619.262.9845
www.sedcinc.com

Present: Chair Gonzalez, Treasurer Evans, Secretary Lawrence, Directors Ayala and Wong.

Excused Absences: Vice Chair Champion-Cain, Directors Geisler and Williams.

Unexcused Absences: None.

Corporate Counsel: Leslie E. Devaney
Stutz Artiano Shinoff & Holtz

Item 1 **Call to Order**

Chair Gonzalez called the meeting to order at 4:42 p.m.

Item 2 **Announcement of Closed Session**

Chair Gonzalez adjourned the meeting into Closed Session at 2:42 p.m. per Government Code Sections 54956.9(b) and 54956.9(a)

Regular Meeting

Item 3 **Reconvene in Open Session and Public Report/Action**

The Board returned to open session at 5:08 p.m. with all who were present at the start of the Closed Session.

No reportable action.

Item 4 **Approval of the Meeting Minutes from the Agendas of April 28, 2010 and May 12, 2010**

MOTION BY DIRECTOR AYALA TO APPROVE THE MINUTES AS SUBMITTED.

Seconded by Director Wong.

Motion carried unanimously.

Item 5 **Request for Continuance**

None.

Item 6 **Public Communications**

Mr. Gregory Morales distributed correspondence outlining concerns regarding the economic impact that may be caused by the Strategic Plan. It was his opinion that the Strategic Plan would have a negative impact on the southeastern San Diego community.

Mr. Charles Johnson of Magnolias Restaurant informed the Board of the closing of the restaurant at Market Creek Plaza and expressed his dissatisfaction with the Jacobs Center. He was of the opinion that they did not fulfill promises made when he considered opening Magnolias Restaurant at Market Creek Plaza. He asked the Board to consider investigating those promises made by the Jacobs Center.

Ms. Anita Lofton of the Black Chamber of Commerce expressed concern about the closing of Magnolias and noted the importance of supporting small businesses.

Ms. Rosalind Winstead expressed concern about the closing of Magnolias and the Jacobs Center's commitment to small businesses at Market Creek Plaza.

Ms. Jacquelyn Meshack also expressed concern about the closing of Magnolias Restaurant and inquired about filling the vacancy.

Item 7 **Non-Agenda Item(s)**

None.

Item 8a **Quarterly Employment for the Period Ending March 31, 2010 (Report No. 10-023)**

Mr. Joshua Von Wolfolk inquired about the businesses that provided the information for the report. He also noted the importance of the businesses hiring southeastern San Diego residents. Furthermore, he requested a status report on the number of businesses that currently have training programs.

Following additional discussion, Acting President/CEO Mr. Trotier pointed out that the businesses that provide employment information on a voluntary basis and are in their locations as a result of the redevelopment activities of SEDC.

No Board action was required on this item.

Item 9 **Pulled Consent Agenda Item(s)**

None.

Item 10a **Consideration of Request from Robert Ito to Retro-Actively Reinstate the Expired Exclusive Negotiation Agreement (Report No. 10-024)**

Project Manager Sherry Brooks presented the staff report as submitted informing the Board that Mr. Robert Ito of Ito Girard has requested a reinstatement of the previously approved Exclusive Negotiating Agreement. She noted that the Projects and Development Committee unanimously approved staff's recommendation. Furthermore, she recalled previous actions relative to the approval of the ENA and development of the former Ouchi Nursery site.

Ms. Brooks reported that certain delays resulted in the expiration of the ENA. She also noted that the development of the Ouchi Nursery site was in conformance with the Strategic Plan and could serve as a catalyst project. Moreover, she noted that the zoning and environmental portions of the project have been completed.

Mr. Robert Ito reiterated his commitment of developing the Ouchi Nursery site adding there may be the potential to develop the site adjacent to the Ouchi property.

MOTION BY AYALA TO RECOMMEND TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO, (AGENCY) REINSTATEMENT AND A 6 MONTH EXTENSION OF THE EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH ITO/GIRARD FOR THE DEVELOPMENT OF THE 5003 IMPERIAL AVENUE SITE (SITE).

Seconded by Director Wong.

Motion carried unanimously.

Item 10b **Consideration of Recommendation to Commence Negotiating an Exclusive Negotiating Agreement with St. Stephen's Valencia Business Park Development (Report No. 10-025)**

Mr. Trotier presented the staff report as submitted recalling previous actions relative to the issuance of the Request for Proposals. He went over the RFP review schedule noting the Review Panel recommended the St. Stephens Valencia Business Park Development proposal for further consideration and to begin discussions regarding an Exclusive Negotiating Agreement (ENA). He pointed out that the ENA allows both parties the opportunity to negotiate exclusive with one another.

He also noted that the additional details would need to be worked out specifically the matter of the HUD Section 108 Loan in that there were restrictions with respect to the development of the site. Additionally, HUD would have to approve the DDA and rezoning of the site.

With respect to the schedule, he reported that it was staff's intent to present the final ENA to the Board at its July meeting and the Redevelopment Agency in September.

Ms. Salamisha Logan of the Coalition of Concerned Women presented correspondence expressing concern regarding the selection process particularly that there was only one RFP received. She requested a written response from staff to specific questions addressed in the correspondence.

Bishop George McKinney of St. Stephens Church of God in Christ expressed appreciation of staff and the recommendation and informed the Board that the development team assembled could complete the development. He added that the development joint partner, Dudley Ventures, has experience in new market tax credits.

Ms. Kathleen MacLeod asked that the Board consider postponing the decision to consider the ENA with St. Stephens until the development team has met with the community. She also requested an economic impact data report, a job analysis, and feasibility study supporting the development.

Pastor George McKinney spoke in support of the proposal and asked that the Board move forward with staff's recommendation to commence negotiating an ENA.

Mr. Marvin Ferrell of Ferrell Construction Management spoke in support of the proposal recognizing that while the Coalition of Concerned Women expressed concern regarding the staff report, he asked that the Board approve staff's recommendation to begin the ENA process. He also informed the Board that the development team initially wanted to meet with the community but was directed to avoid doing so until a recommendation was forwarded to the Board.

Ray Smith spoke in support of the St. Stephens proposal and asked that the Board move forward with the ENA process.

Following additional discussion, Mr. Trotier reiterated how the ENA process would occur pointing out that the Agreement is a good-faith document that allows both parties to negotiate exclusively with one another. He also confirmed that the representatives of St. Stephens had expressed the desire to meet with the community prior to staff's recommendation and was discouraged until a development entity was recommended to the Board of Directors for consideration.

MOTION BY DIRECTOR AYALA TO APPROVE TO COMMENCE NEGOTIATING THE TERMS OF AN EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH THE ST. STEPHEN'S VALENCIA BUSINESS PARK DEVELOPMENT JOINT VENTURE. STAFF ALSO RECOMMENDS THIS COMMITTEE AND THE FULL SEDC BOARD SET A DEADLINE OF AUGUST 1ST, 2010 FOR COMPLETING NEGOTIATION OF THE TERMS OF THE ENA.

Seconded by Director Wong.

Motion carried unanimously.

Item 10c **Adoption of a Resolution Limiting the Power of the Executive Committee (Report No. 10-026)**

Mr. Trotier presented the staff report as submitted noting staff was seeking approval of the resolution limiting the powers of the Executive Committee.

Corporate Counsel Leslie Devaney recalled previous Board of Directors direction to draft a Board Policy that would establish specific requirements of when the Executive Committee could take action in between Regular meetings of the Board of Directors.

Following additional discussion, Secretary Lawrence suggested continuing the item since Director Geisler was not present to comment on the item. It should be noted that Director Geisler expressed concern that the new bylaws allowed the Executive Committee to meet in between regular meetings of the Board of Directors and exercise all the powers of the Board.

MOTION BY SECRETARY TO CONTINUE THE ITEM TO THE JULY BOARD OF DIRECTORS MEETING.

Seconded by Director Ayala.

Motion carried unanimously.

Item 11 **Legal Affairs Report**

None.

Item 12 **Acting President/CEO's Report**

Mr. Trotier provided the following report: (1) The Redevelopment Agency with the support of the Independent Budget Analyst approved the Strategic Plan; (2) The Redevelopment Agency

with the support of the Independent Budget Analyst approved the corporation FY 2010/11 Budget; (3) As a result of the economy, Pacific Scene Development has provided a written request to terminate discussion and return the deposit on the Hilltop/Euclid Avenue site. Staff will reissue an RFP for the site; (4) In addition to SEDC Chair Gonzalez and Vice Chair Champion-Cain, Mayor Sanders, Council President Hueso and Councilman Young will serve on the SEDC President/CEO Selection/Nominating Committee; (5) Staff is 85% done with the relocation in the new location; (6) The Vista Grande project has received approval for its tax credit and escrow is anticipated to close in October 2010; (7) He is working with Supervisor Cox, the City of San Diego, and CCDC on graffiti tracker which is a county-wide program that addresses solutions to deter taggers; (8) The Murals and landscape projects in District 8 are complete; (9) Staff will submit the revised corporate policies and procedures to the Board in September; and (10) The San Diego Taxpayer Association acknowledged SEDC positively regarding the corporation's travel policy.

Item 13 **Chair's Report**

None.

Item 14 **Committee Reports**

None.

Director Ayala left the meeting at 6:38 p.m.

Item 15 **SEDC Directors Announcements, Reports or Committee/Staff Referrals**

Secretary Lawrence expressed concern regarding the closing of Magnolias Restaurant. Mr. Trotier reported that he'd met with Mr. Johnson and suggested that Secretary Lawrence meet with staff members James Arnold and Tylisa Suseberry to continue the discussion.

Item 16 **Adjournment**

There being no further business the meeting adjourned at 6:39 p.m.