

**CITY OF HUNTINGTON BEACH  
SUPPLEMENTAL COMMUNICATION  
Joan L. Flynn, City Clerk  
Office of the City Clerk**

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Joan L. Flynn, City Clerk *JLF*  
**DATE:** 8/17/2015  
**SUBJECT:** SUPPLEMENTAL COMMUNICATION FOR THE AUGUST 17, 2015, REGULAR CITY COUNCIL/PFA MEETING

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Attached is a Supplemental Communication to the City Council (received after distribution of the Agenda Packet):

**STUDY SESSION**

**#1.** PowerPoint communication submitted by Director of Finance Lori Ann Farrell, dated August 17, 2015 and entitled *Long-Term Financial Plan Update*.

**PUBLIC HEARING**

**#14.** Email communication received from Rod Sterud, Huntington Beach Downtown Business Improvement District (HBDBID) member, opposing the item.

**ADMINISTRATIVE ITEMS**

**#16.** Communication submitted by Bob Yoder and Mike O'Melveny, Shea Homes Southern California dated August 16, 2015 re: *Shea Homes Offer Clarification*.

**#16.** Email communications submitted by:

Christina Ruiz	Carol Woodworth	Ed Mountford, Woodbridge Pacific Group
Chuck Johnson	Joseph Mastropaolo	Cari Swan
Carol Rapp	Sylva Calhoun	Rod Sterud

**COUNCILMEMBER ITEMS**

**#18.** Letter dated August 17, 2015 from Matt Petteruto and Bryan Starr, Orange County Business Council, supporting U.S. Export/Import Bank Reauthorization

**#18.** Email communications submitted by:

Cari Swan	Barry Williams	Pat Quintana
Christina Ruiz	Rob Pool	Sylvia Calhoun
Sheila Garland	Ron Higby	Rod Sterud

# City of Huntington Beach



## LONG-TERM FINANCIAL PLAN UPDATE

AUGUST 17, 2015

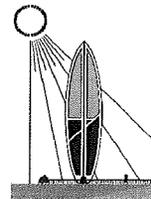
### Summary

- General Fund Five-Year Projections
  - Revenue Assumptions
  - Expenditure Assumptions
  - Five-Year Budget Performance Scenarios
- Annual Pension Cost Review
- Unfunded Liabilities Review
- Recommendations for One-Time Funds
- Recap

#### SUPPLEMENTAL COMMUNICATION

Meeting Date: 8-17-2015

Agenda Item No. SS# 1



## Benefits of a Five-Year Plan

- Builds a financially resilient government through long-term financial planning
- Improves long-term financial sustainability as required through the Strategic Plan
- Provides time to effect change and adapt to changing conditions
- Adds transparency and encourages involvement
- Creates methods to determine the costs/benefits of decisions over the long-term
- Implements a tool to help leaders balance competing demands for enhanced or new services, additional staff, infrastructure needs and financial reserves

3

## 5-Year Plan Highlights

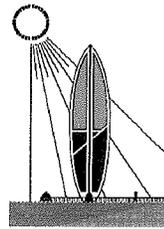
- The City's personnel costs comprise approximately 72% of the General Fund Budget
- As such, fixed cost increases related to the existing payroll base will largely consume projected revenue increases
- The most significant cost increases projected over the next 5 to 10 years are the City's pension costs
- New CalPERS Volatility Reduction Plans will increase costs
- Hence, projected revenue increases will primarily assist in funding increased pension costs
- Please note these are estimates for discussion purposes only and are subject to change

4



# LONG-TERM FINANCIAL PLAN

## EXPENDITURE ANALYSIS



5

### Expenditure Assumptions

- o The projections do not reflect any staffing increases
  - o Except for the addition of 5 Police Officers over three fiscal years
- o Equipment Replacement increases by \$500K annually until \$7M is reached
- o Infrastructure spending increases by \$1M in FY15/16, and thereafter, to help meet the 15% infrastructure Charter requirement
- o Funding of \$1M is included for financing of 800 MHz project each year
- o LeBard School site acquisition funding of \$333K per year through FY 18/19
- o Reflects projected CalPERS cost increases based on PERS rates
- o Includes projected impact of CalPERS Volatility Reduction Plans (\$7M full annual after multi-year phasing if discount rate goes to 6.5%)
- o Does NOT include an annual ongoing plan to reduce the Workers' Compensation liability of \$9.4 million

6

# REVENUE ASSUMPTIONS

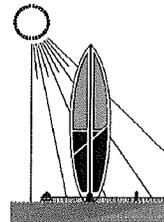
- In depth review of the City's General Fund revenue over the past 10 years was conducted (2004 through 2014)
- One-time revenues were removed to isolate growth patterns for recurring revenue streams
- The smoothed, average annual rate of return for recurring revenue for the past 10 years is approximately 2.77%
- The 2.77% historical annual rate of growth is included in the "Base Case" assumptions for out-year growth
- Other assumptions are also included such as a Stress Testing scenario

7



## 5-YEAR PROJECTION SCENARIOS

8



## Base Case (in thousands)

Category	Proposed FY 2015/16	Projected FY 2016/17	Projected FY 2017/18	Projected FY 2018/19	Projected FY 2019/20
Salaries*	97,711	98,465	99,446	99,846	100,296
CalPERS	28,693	31,551	34,174	36,011	37,460
CalPERS Volatility			1,400	2,800	4,200
Other Benefits	26,613	25,054	24,757	25,040	24,719
Operating	43,601	44,429	44,977	45,841	46,143
Infrastructure	3,244	4,000	5,000	6,000	7,000
Equipment	5,190	5,500	6,000	6,500	7,000
Debt Service	8,464	7,070	6,386	6,382	4,963
Budget Set Aside**	2,969	3,013	-	-	3,149
Other Recurring Expenses	-	2,969	5,982	5,982	5,982
<b>Total Expenditures</b>	<b>216,485</b>	<b>222,051</b>	<b>228,122</b>	<b>234,402</b>	<b>240,912</b>
<b>Total Revenues</b>	<b>216,485</b>	<b>222,481</b>	<b>228,644</b>	<b>234,977</b>	<b>241,486</b>
<b>(Challenge)/Surplus</b>	<b>0</b>	<b>430</b>	<b>522</b>	<b>575</b>	<b>574</b>

\*Amounts shown above for Salaries do not reflect the potential impacts, if any, of yet to be negotiated labor contracts.

\*\*Budget Set Aside amounts reflect the only projected funding estimated to be available to support increased spending in any category listed above.

9

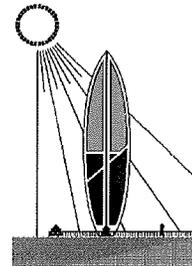
## Base Case (Great Recession Modified)

Category	Proposed FY 15/16	Projected FY 16/17	Projected FY 17/18	Projected FY 18/19	Projected FY 19/20
Total Expenditures	216,485	222,051	228,122	234,402	240,912
➔ Total Revenues	216,485	228,326	239,948	230,878	226,999
<b>(Challenge)/Surplus</b>		<b>\$6,275</b>	<b>\$11,826</b>	<b>(\$3,524)</b>	<b>(\$13,913)</b>

10



# UNFUNDED LIABILITIES



11

## Unfunded Liabilities Overview as of CAFR for 9/30/2014

Type of Liability	Amount* (000)	% Funded	Plan to Eliminate Liability	Timeline
CalPERS (Safety)	187,796	67.2%	“1=5” Plan	25 years
CalPERS (Misc)	<u>120,431</u>	<u>73.0%</u>	Standard PERS Plan	30 years
Subtotal	<b>308,227</b>	69.7%		
Retiree Medical (Misc)	<b>5,900</b>	100.0%	Payoff as of 9/30/14	Now
Retiree Medical (Safety)**	<b>8,924</b>	TBD	“25 to 10” Plan	10 years
Retiree Supplemental	<b>21,563</b>	62.7%	“16 to 10” Plan	10 years
Workers’ Compensation	<u><b>9,205</b></u>	46.3%	“10 in 10” Plan	10 years
<b>TOTAL</b>	<b>353,819</b>		Based on 2013 Data*	

\*Total unfunded liability amounts are not constant and are subject to change for market conditions, demographics and actuarial changes.

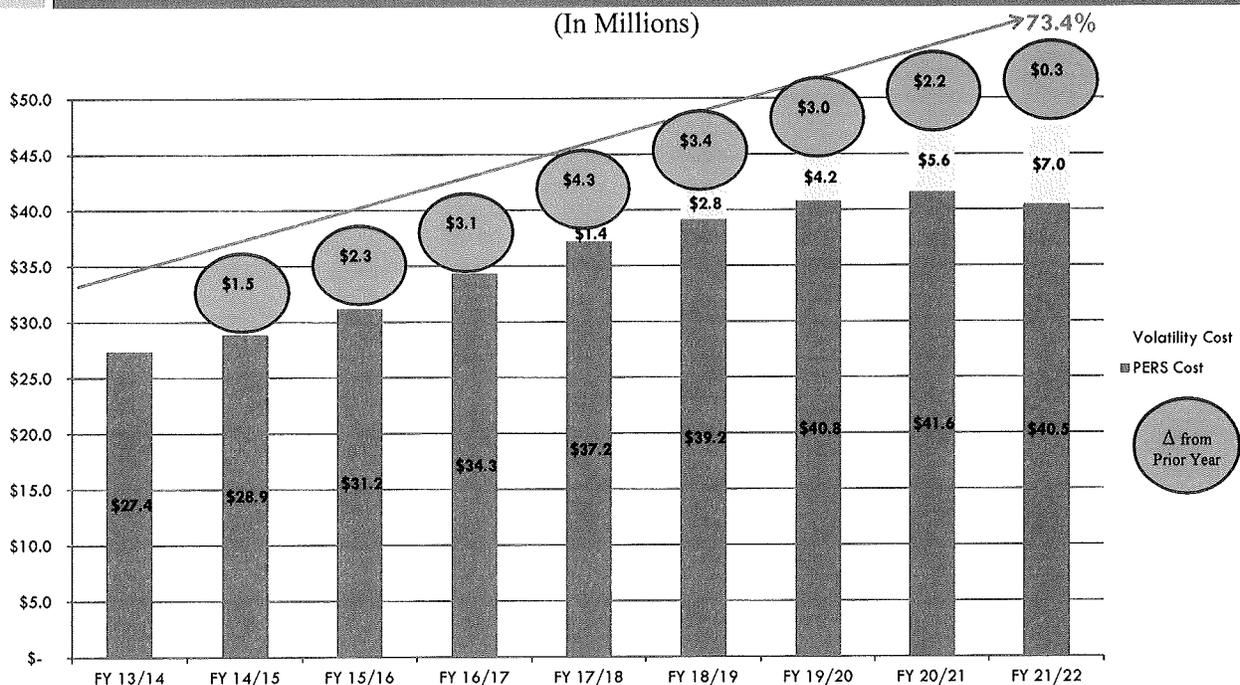
\*\*Retiree Medical PEHMCA unfunded liability will be recognized in FY 2014/15 CAFR as per new requirement of ASOP No. 6.

## CalPERS Increases (Revised)

- CalPERS costs will increase from \$25.1 million in FY 2013/14 to \$47.5 million by FY 2021/22 (eight years), a 73.4% increase
- Safety rate increases from 38.8% to 50.9% in eight years
- Misc rate increases from 21.4% to 30.6% in eight years
- These estimates DO NOT include the cost of recently negotiated or yet to be negotiated contracts
- Recent CalPERS discussions regarding portfolio “Volatility” will increase employer costs
- If the assumed earnings rate changes from 7.5% to 7.0%, that 50 bps change will cost an additional \$3.5 million per year, and double that amount, or \$7.0 million, if down to 6.5%

13

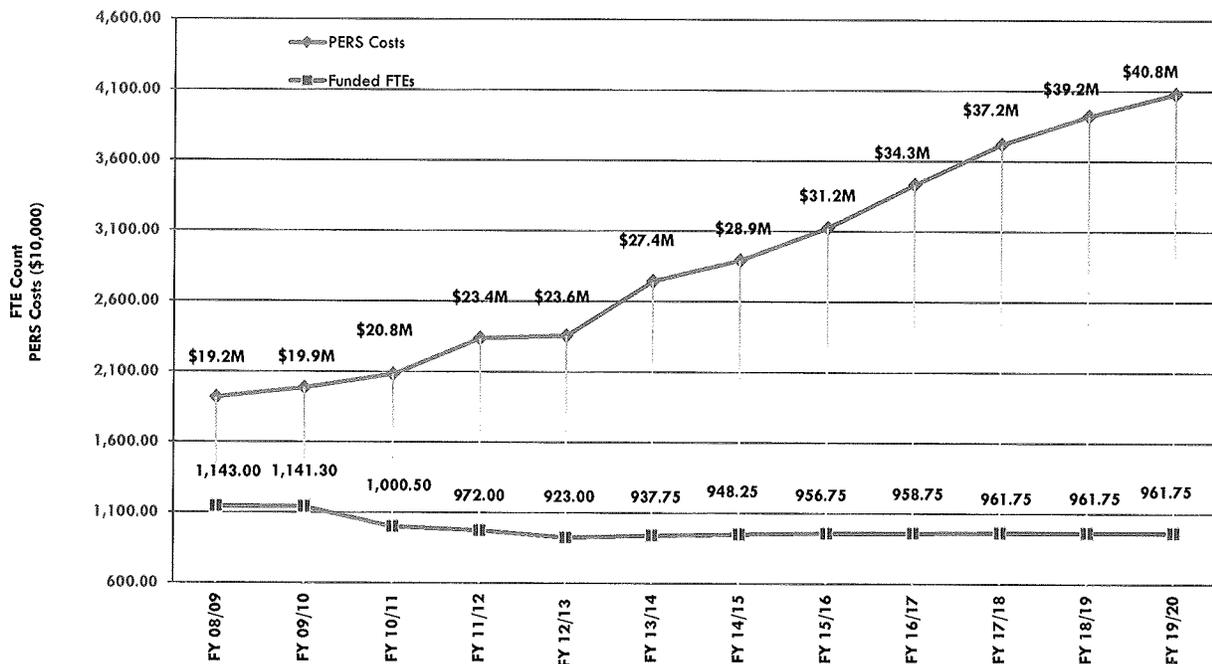
## 8-Year CalPERS Employer Rate Increases\* (All Funds) with Volatility Reduction Plan



\*Projections have been updated to reflect most recent CalPERS actuarial valuation as of 6/30/13.

14

## Funded FTE vs. YOY PERS Costs (Without Volatility)



15

## Plan to Expedite Paydown of Liabilities

- The City will be facing additional significant increases in PERS Employer contribution rates starting in FY 15/16
- The Five-Year Plan reflects the \$1.0 million annual payment to the “One Equals Five” Safety Plan to pay off the unfunded liability five years ahead of schedule saving taxpayers \$54 million
- The CalPERS Volatility Reduction Plans, while very expensive, will likely improve the funded status of the plans over the long term
- The City should consider funding a new Section 115 Trust to further expedite the pre-payment of unfunded liabilities, with one-time funds
- A Section 115 Trust offers an alternative to CalPERS to pre-fund liabilities with more conservative plan options

16

# Use of One-Time Funds

## Recommendations

### FY 2014/15 Funds

**\$1.6 million**

- Perform outright purchase of Fire Ladder Truck and equipment
- This will free up \$295,000 in annual debt service over the next 4 years
- Plan was to originally finance the truck over a 5-year period (including the current year)

### FY 2015/16 Funds

**\$4.5 million\***

- Utilize up to \$3.0 million for the \$9.0 million Citywide Streetlight Retrofit project (as a result, only \$6 million would need to be financed)
- Perform an outright purchase of the Fire Engine for Emergency One (\$775k) and reduce annual debt service by \$165,000
- Use the remainder of \$725k for a Section 115 Trust to further expedite the pre-payment of unfunded liabilities, or Workers' Compensation liabilities

\*Final amounts remitted to the City for the Triple Flip are subject to change. Funding will be appropriated after receipt from the State.

17

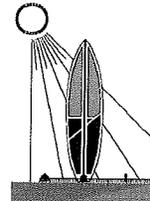
## Recap

- The City will be facing significant increases in PERS Employer contribution rates starting in FY 15/16
- The Five-Year Plan is a tool to determine how current and future decisions will impact the City's General Fund budget
- The CalPERS Volatility Reduction Plans will likely improve the funded status of the plans but will be very costly
- If the City uses one-time funds to make certain purchases, it can reduce annual debt service costs providing greater flexibility at a time when PERS rates are rising
- The economy is cyclical; hence, it is prudent to examine the impacts of a potential future economic downturn and remain vigilant
- **All of these scenarios are estimates only and are subject to change for factors completely beyond the City's control**

18

# Budget Calendar

Proposed Date	Item
July 6, 2015	FY 2015/16 Proposed Budget Delivered to City Council
July 13, 2015	FY 2015/16 Strategic Planning Retreat Budget Update
July 20, 2015	FY 2015/16 Proposed Budget Presentation
➔ August 17, 2015	Long Term Financial Plan
September 8, 2015	FY 2015/16 Budget Adoption City Council Public Hearing
September 21, 2015	FY 2015/16 Budget Adoption (Alternate)
October 1, 2015	Fiscal Year 2015/16 Begins



## QUESTIONS?

## AUGUST 17, 2015

**Estanislau, Robin**

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**From:** Dombo, Johanna  
**Sent:** Monday, August 17, 2015 2:31 PM  
**To:** Estanislau, Robin  
**Cc:** Agenda Alerts  
**Subject:** FW: Agenda item 14, 16 and 18

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**From:** Ron Sterud [mailto:ronsterud@yahoo.com]  
**Sent:** Monday, August 17, 2015 2:20 PM  
**To:** CITY COUNCIL  
**Cc:** Fikes, Cathy; Flynn, Joan  
**Subject:** Agenda item 14, 16 and 18

Dear Mayor Hardy and Council Members,

I am writing to urge that you oppose both Agenda Items 14, 16 and 18.

**Agenda Item 16-Selection of Developer for Rodger's Senior Center:** How on earth can the city issue and RFP and pre-select a developer for an area that has yet to receive a "vote of people" which is required in Measure C? This process is completely backwards and does not honor the original intent of Measure C. The proper action should be for the city to place Measure C on the ballot, and only AFTER a vote by the people, should the city take any action regarding development of this property.

**Agenda Item 18-City Council Support for Export Import Bank:** This is, quite simply, preposterous! The role of City Council is to focus on issues specific to Huntington Beach. To become involved with a high politicized national issue is a very dangerous precedent to set for city council. In addition, the supporting document for this resolution is false and misleading. For those very familiar with the Ex Im Bank, as I am due to the very nature of my business, this institution is nothing more than Corporate Welfare that has cost taxpayers billions of dollars. In addition, it has been very damaging to many industries across the country, while only benefiting a few hand selected, very large corporations. But, to my earlier point, whether one agrees or disagrees with the continuation of the Ex Im Bank, it simply isn't something that I expect my city council to become involved.

**Agenda Item 14-HBBID:** As a BID member, I would like to state that the BID offers ZERO benefit to our city or downtown businesses. Many business owners, myself included would like nothing more than to see the BID disband. I urge you to vote no on agenda Item 14.

Sincerely,  
Ron Sterud

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. # 14

**Dombo, Johanna**

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**From:** Bob Yoder <bob.yoder@sheahomes.com>  
**Sent:** Sunday, August 16, 2015 5:46 PM  
**To:** CITY COUNCIL; Wilson, Fred; Slobojan, Jim  
**Cc:** Mike O'Melveny  
**Subject:** RE: Rodgers' Senior Center - Shea Homes Offer Clarification--Agenda Item 16

Hello Mayor Hardy, Mayor Pro Tem Katapodis and City Council Members,

We look forward to presenting our proposal for the Rodgers Seniors' Center site - and most importantly – our approach to insure a successful campaign.

In the interim, if you have any questions, please do not hesitate to contact me directly on my cell (951) 538-3980.

Thank you.

Bob Yoder, Division President  
Shea Homes Southern California  
951-538-3980

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015  
Agenda Item No. #16

**From:** Mike O'Melveny  
**Sent:** Thursday, August 13, 2015 12:15 PM  
**To:** city.council@surfcity-hb.org; fred.wilson@surfcity-hb.org; jslobojan@surfcity-hb.org  
**Cc:** Bob Yoder  
**Subject:** Shea Homes Offer Clarification--Agenda Item 16

City Council & Staff,

We at Shea Homes are looking forward to our presentation before the City Council regarding the Rodgers Seniors' Center Site this coming Monday. After reviewing the staff report for Agenda Item No. 16, we were surprised to see how the two monetary offers for the land were listed, which one could wrongly interpret as Shea offering \$300,000 (2%) less than Woodbridge for the property.

In reality Shea Home's offer of \$14,600,000 (w/ \$150,000 deposit) in an "apple to apple" comparison is \$1,100,000 more than Woodbridge's offer of \$13,500,000 (w/ \$20,000 deposit). Further, Shea Homes commits to closing escrow 5 business days after the election has been certified by the OC Registrar of Voters, while Woodbridge committed to closing escrow 45 days after election certification.

Woodbridge does however provide for an option B offer of \$14,900,000 to be paid after City Council's Final Approval of the Tract Map estimated to be in June of 2017. I cannot see why the City would want to be at risk for whatever reason (e.g. market collapse, terrorist attack on U.S. soil, another war) for an additional 8-10 months, potentially allowing Woodbridge to walk only losing their \$20,000 deposit rather taking the "bird in the hand" with Shea and closing in November 2016.

Attached for your reference is our original "Financial Offer Form" and "Project Schedule" (pages 27 & 28 of our original proposal respectively). Please reference the bottom line of the schedule which states we will close in November 2016, estimated to be November 29th, but as clarified above will more specifically be 5 business days after election certification.

We thank you for your consideration of Shea Homes for this project. Should you have any questions before Monday, please do not hesitate to email or call me directly at the number below.

Sincerely,

Mike O'Melveny



**Mike O'Melveny** | VICE PRESIDENT LAND ACQUISITION | SHEA HOMES SOCAL

[mike.omelveny@sheahomes.com](mailto:mike.omelveny@sheahomes.com) | O: 949.526.8825 | M: 951.538.7581

2 Ada, Suite 200, Irvine, CA 92618

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**Dombo, Johanna**

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**From:** Tina Ruiz <christinaruiz4@yahoo.com>  
**Sent:** Sunday, August 16, 2015 2:47 PM  
**To:** CITY COUNCIL  
**Subject:** Oppose Agenda Item 16!!!!

Dear Mayor Hardy, Mayor Pro-Tem Katapodis and City Council members,  
I am writing you today about Agenda item #16 – Selecting a Developer for Redevelopment of Rodger’s Senior Center and negotiate an exclusive negotiation agreement with the developer for residential development.

When I read agenda item #16 I immediately had many questions.

1. Did we sell the property already?
2. I thought we needed to vote on new zoning to change the land use from open space/parkland to residential. If so, how can we be looking for a developer already? Why now?
3. Don’t we put the city at legal risk by entering into an agreement with any developer before the public has voted to change the zoning?
4. What if the public votes against changing the area to residential and the ballot measure fails?

I was disappointed to learn the answers to some of my questions by reading the RFQ/P bid proposal. From the city’s RFQ/P *“the selected Developer will be required to lead and manage the process for an anticipated November 2016 general election.* So, the city wants the developer to pay the costs associated with not only putting a ballot measure on the Nov 2016 ballot but *“Ensuring community involvement and a well educated electorate to achieve a successful “Measure C” approval.*

Well, that doesn’t seem to fit the spirit of why Measure C was passed. *Per Section 612(a) of the City’s Charter, parkland may not be sold, leased, exchanged or otherwise transferred or disposed of unless authorized by a majority vote of the City Council and by a majority of the electors voting on such proposition at a general or special election.*

The spirit of Measure C was to ensure that voters had the opportunity to voice their opinions about how and if open space would be used in a different manner. It was not passed so that the city could make deals with developers who effectively then become lobbyists who ramrod through a specific land use change. It is unacceptable for the city to use the power and money of an outside developer to “persuade” the public to see their vision.

I urge you to take no action on agenda item #16. We should not be selecting a developer at this time. The city should follow our city’s charter and put the land use change on the November ballot without using outside developer’s money influencing the outcome of the election.

Sincerely,  
Christina Ruiz  
HB Resident

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. #16

## Dombo, Johanna

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**From:** Carol Woodworth <kwoodworth@socal.rr.com>  
**Sent:** Saturday, August 15, 2015 4:46 PM  
**To:** CITY COUNCIL; Fikes, Cathy  
**Subject:** Agenda item #16

Dear Mayor Hardy, Mayor Pro-Tem Katapodis and City Council members,

I am writing you today about Agenda item #16 – Selecting a Developer for Redevelopment of Rodger’s Senior Center and negotiate an exclusive negotiation agreement with the developer for residential development.

When I read agenda item #16 I immediately had many questions.

1. Did we sell the property already?
2. I thought we needed to vote on new zoning to change the land use from open space/parkland to residential. If so, how can we be looking for a developer already? Why now?
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I was disappointed to learn the answers to some of my questions by reading the RFQ/P bid proposal. From the city’s RFQ/P “*the selected Developer will be required to lead and manage the process for an anticipated November 2016 general election. So, the city wants the developer to pay the costs associated with not only putting a ballot measure on the Nov 2016 ballot but “Ensuring community involvement and a well educated electorate to achieve a successful “Measure C” approval.*

Well, that doesn’t seem to fit the spirit of why Measure C was passed. *Per Section 612(a) of the City’s Charter, parkland may not be sold, leased, exchanged or otherwise transferred or disposed of unless authorized by a majority vote of the City Council and by a majority of the electors voting on such proposition at a general or special election.*

The spirit of Measure C was to ensure that voters had the opportunity to voice their opinions about how and if open space would be used in a different manner. It was not passed so that the city could make deals with developers who effectively then become lobbyists who ramrod through a specific land use change. It is unacceptable for the city to use the power and money of an outside developer to “persuade” the public to see their vision.

I urge you to take no action on agenda item #16. We should not be selecting a developer at this time. The city should follow our city’s charter and put the land use change on the November ballot without using outside developer’s money influencing the outcome of the election.

Sincerely,

Carol Woodworth  
714-316-6619  
[kwoodworth@socal.rr.com](mailto:kwoodworth@socal.rr.com)

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. #16

## Dombo, Johanna

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**From:** Ed Mountford <edmountford@verizon.net>  
**Sent:** Sunday, August 16, 2015 11:33 AM  
**To:** CITY COUNCIL  
**Subject:** FW: WPG Response to Shea Homes 7/13 email

FYI

**From:** Ed Mountford <edmountford@verizon.net>  
**Date:** Saturday, August 15, 2015 1:33 PM  
**To:** "Fritzal, Kellee" <KFritzal@surfcity-hb.org>  
**Subject:** WPG Response to Shea Homes 7/13 email

Kellee;

I'm responding to the August 13th email from Shea Homes promoting their offer for the Rodgers Seniors' Center property.

Essentially Shea contends that their offer of \$14.6 million with a closing date in November 2016 is better for the city than Woodbridge Pacific Group's offer of \$14.9 million with a closing date seven months later (at city approval of a final map) because the city avoids the risk of the U.S. economy collapsing or a terrorist attack occurring on U.S. soil during the seven month period causing WPG not to close on the property. I can only respond by saying that such a doomsday scenario is, at best, farfetched.

Let me address the difference in closing dates in a more rational manner. In order for Sheas's offer (which is \$300,000 less) to match WPG's offer, the city would have to generate a return of 4% over the extended closing period to make up the shortfall of their offer. A 4% return is aggressive given today's interest rate environment and the city's prudent investment practices.

WPG's closing date could very well be less than seven months after the election. The city is basically in control as to how long it will take to review and approve the final map. City staff could expedite the review process for final map thereby accelerating the closing date.

Lastly, in regard to Shea's assertion that during the seven month period after the election there is the potential for WPG to simply walk away from the obligation to close escrow and suffer only a \$20,000 loss; again, this is another outlandish statement by Shea. Regardless of which builder the council selects on Monday, hundreds of thousands of dollars will be invested in project design, engineering, environmental review, community outreach and the election process in order to achieve a successful outcome. At the end of the day, in the event Shea or WPG fails to close escrow (please remember that Shea can fail to close for any reason whatsoever), the city would own an entitled property that would be considerably more valuable than it is today.

Clearly, the sky above Surf City isn't falling – it's glistening!

Ed Mountford  
Vice President, Woodbridge Pacific Group

### SUPPLEMENTAL COMMUNICATION

Meeting Date: 8-17-2015

Agenda Item No. #16

**Dombo, Johanna**

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**From:** sleeplessmedia <sleeplessmedia@gmail.com>  
**Sent:** Sunday, August 16, 2015 6:00 PM  
**To:** CITY COUNCIL  
**Subject:** Item 16 - Pre disposing the Rodgers Senior Center Land

Mayor Hardy, and council members,

Stop the madness. First of all, the possibility still exists that your land grab from Chevron's generosity will face potential challenges from Chevron. Our city attorney does not have the ability to go up against Chevrons legal team. He can still barely figure out his role at the council meetings.

Secondly, the measure to sell the land is likely to fail. People want open space. Especially in this area.

Third, requiring the "selected " developer to lobby the voters on the measure presents a conflict of interest. The City makes it clear that the developer will have to pay for and do the city's dirty work.

Let me guess.... the "selected" developer will have to include a "low - income" element, requiring increased density for compliance, subsidizing housing two blocks from the beach. No doubt the developer will be using "sustainable" development methods and will be one of the builders that already have extensive contacts with current council and staff..

The prudent thing is to verify that their are NO legal challenges whatsoever from Chevron, Then put it to a vote of the people. There is no need to initiate the steps of "pre selecting" a developer. You are simply trying to initiate the process early so you have another entity ready to lobby in place in time for the election to do your bidding.

The people are not stupid. Stop treating them like they are.

Chuck Johnson  
15092 Kingston Lane  
Huntington Beach CA

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015  
Agenda Item No. # 16

**Dombo, Johanna**

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**From:** Joseph mastropaolo <jamastropaolo@gmail.com>  
**Sent:** Sunday, August 16, 2015 10:33 PM  
**To:** CITY COUNCIL  
**Subject:** Agenda Item 16.

8-16-15

Dear Members of the City Council,

I urge the City Council to table Agenda Item 16 of Agenda 8-17-15 because the property has not been voted as ready for development.

Thank you.

Joseph Mastropaolo

Precinct 32285

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. #16

**Estanislau, Robin**

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**From:** Flynn, Joan  
**Sent:** Monday, August 17, 2015 10:25 AM  
**To:** Estanislau, Robin  
**Subject:** FW: Oppose Agenda Item 16 - City Council Meeting 8/17/15

**From:** Cari [<mailto:cswanie@aol.com>]  
**Sent:** Sunday, August 16, 2015 12:13 PM  
**To:** CITY COUNCIL  
**Cc:** Fikes, Cathy; Flynn, Joan  
**Subject:** Oppose Agenda Item 16 - City Council Meeting 8/17/15

Dear Mayor Hardy and Council Members,

I am writing to oppose Agenda Item 16, recommending that we select a developer for the Rodger's Senior Center property.

In the most simple terms, it appears that the "tail is wagging the dog"! There is no possible way to run a "fair and ethical" Measure C campaign, funded by a pre-selected developer who is purely motivated to "win the referendum". The city staff (government) is essentially anticipating (or rigging) the results of the ballot measure by "assuming" that the developer will be capable of investing a very LARGE amount of money which will result in successful passage of the measure, thereby giving the developer and city the "green light" to develop! This is "government sponsored cronyism" at it's very WORST???? You have basically created a "loophole" for the city and developer to by-pass the true will of the community.

And let's just say the developer fails to pass the referendum. Have we now exposed ourselves to legal challenge??

I can only conclude that, as a city, we have become so desperate for sources of revenue due to our UNFUNDED PENSION LIABILITIES that our city leaders are willing to "risk all" to fill any short term deficiency.

Please, I urge you, stop this train wreck now. This is not a proper solution to our long term financial solvency.

This action is morally, ethically and perhaps legally wrong. I urge you to oppose Item 16.

Sincerely,

**Cari Swan**  
Cell: (714) 287-6779

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. #16

**Estanislau, Robin**

---

**From:** Flynn, Joan  
**Sent:** Monday, August 17, 2015 10:24 AM  
**To:** Estanislau, Robin  
**Subject:** FW: Agenda Item #16

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. # 16

-----Original Message-----

From: Carol Rapp [mailto:carolrapp@msn.com]  
Sent: Sunday, August 16, 2015 8:17 PM  
To: CITY COUNCIL  
Cc: Flynn, Joan  
Subject: Agenda Item #16

Mayor Harding and City Council Members,

I am writing today with concern about Agenda Item #16.

I think all of us who are paying attention to the City Council Member's actions and their votes need to be better informed. I encourage each of you to vote to shelf this Item until further information is available to those of us that are property owners and tax payers in the City of Huntington Beach.

These are my questions:

- 1) How was this property appraised at around 14 Million Dollar figure and by whom?
- 2) Who were the four people on the board to narrow the bids down to two developers?
- 3) If this property is sold, what is the plan for the net proceeds?

I seem to recall that the plan from the original developer of Pacific City, who subsequently went bankrupt, was to not only build the new Senior Center in Central Park, but also to develop the property which the current Senior Center sits on at 17th and Orange into a PARK. The reasoning and rightfully so, was to not give up any park space. Yes, the voters approved Measure C back in that time and it seems under those assumptions. If the City of Huntington Beach was really on it's toes, they would have made sure the current developer of Pacific City adhered to those original plans.

We do not need more residents. We read daily how our current HBPD can't handle the load without overtime.

We do not need to make developers rich.

We need to get back to basics about running the City of Huntington Beach.

We need the City to hold on to this property located at 17th and Orange.

Respectfully,  
Carol J Rapp

**Dombo, Johanna**

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**From:** Sylvia Calhoun <skc347@yahoo.com>  
**Sent:** Sunday, August 16, 2015 8:09 PM  
**To:** CITY COUNCIL  
**Subject:** CityCouncil Meeting 17 August 2015

Dear Sirs,

I strongly oppose Agenda Items 16 and 18.

Sylvia Calhoun  
HB resident

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. #16

**Estanislau, Robin**

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**From:** Dombo, Johanna  
**Sent:** Monday, August 17, 2015 2:31 PM  
**To:** Estanislau, Robin  
**Cc:** Agenda Alerts  
**Subject:** FW: Agenda item 14, 16 and 18

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**From:** Ron Sterud [mailto:ronsterud@yahoo.com]  
**Sent:** Monday, August 17, 2015 2:20 PM  
**To:** CITY COUNCIL  
**Cc:** Fikes, Cathy; Flynn, Joan  
**Subject:** Agenda item 14, 16 and 18

Dear Mayor Hardy and Council Members,

I am writing to urge that you oppose both Agenda Items 14, 16 and 18.

**Agenda Item 16-Selection of Developer for Rodger's Senior Center:** How on earth can the city issue and RFP and pre-select a developer for an area that has yet to receive a "vote of people" which is required in Measure C? This process is completely backwards and does not honor the original intent of Measure C. The proper action should be for the city to place Measure C on the ballot, and only AFTER a vote by the people, should the city take any action regarding development of this property.

**Agenda Item 18-City Council Support for Export Import Bank:** This is, quite simply, preposterous! The role of City Council is to focus on issues specific to Huntington Beach. To become involved with a high politicized national issue is a very dangerous precedent to set for city council. In addition, the supporting document for this resolution is false and misleading. For those very familiar with the Ex Im Bank, as I am due to the very nature of my business, this institution is nothing more than Corporate Welfare that has cost taxpayers billions of dollars. In addition, it has been very damaging to many industries across the country, while only benefiting a few hand selected, very large corporations. But, to my earlier point, whether one agrees or disagrees with the continuation of the Ex Im Bank, it simply isn't something that I expect my city council to become involved.

**Agenda Item 14-HBBID:** As a BID member, I would like to state that the BID offers ZERO benefit to our city or downtown businesses. Many business owners, myself included would like nothing more than to see the BID disband. I urge you to vote no on agenda Item 14:

Sincerely,  
Ron Sterud

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. #16



**SUPPLEMENTAL  
COMMUNICATION**

August 17, 2015

The Honorable Jill Hardy  
City of Huntington Beach  
2000 Main Street  
Huntington Beach, CA 92648

Meeting Date: 8-17-2015  
Agenda Item No. #18

**Subject: SUPPORT- Agenda Item #18: U.S. Export-Import Bank Reauthorization**

Dear Mayor Hardy:

Orange County Business Council (OCBC) writes to you in support of Council Member O'Connell's recommendation that the City of Huntington Beach take action in support of the reauthorization of the United States Export-Import Bank (Ex-Im).

As Orange County's leading voice of business, OCBC has demonstrated an unwavering commitment to strengthening Orange County's economy in a variety of sectors, including international trade. International trade has been one of Orange County's strongest growth industries, reflected by the fact that by the end of 2015, Orange County exports are estimated to reach an all-time high of \$28 billion.

Helping to drive such robust growth in Orange County's international trade sector is the Ex-Im Bank. Over the years, the Ex-Im has helped Orange County companies of all sizes turn export opportunities into real sales that help to maintain and create jobs and strengthen the economy. In Orange County alone, the Ex-Im has financed nearly \$3 billion in exports since 2007. As noted in Council Member O'Connell's memo, over the past eight years, the Ex-Im Bank has supported ten Huntington Beach small businesses to export products with a total export value of over \$29 million.

Considering the critical role which international trade plays in the Orange County economy, OCBC strongly encourages the Council to support the reauthorization of the U.S. Export-Import Bank.

Sincerely,

Matt Petteruto  
Vice President, Economic Development

Bryan Starr  
Senior Vice President, Government Affairs

cc: Huntington Beach City Council

## **Estanislau, Robin**

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**From:** Harper, Gloria  
**Sent:** Monday, August 17, 2015 10:07 AM  
**To:** Estanislau, Robin  
**Subject:** FW: Agenda Item #18- OCBC Ltr of Support  
**Attachments:** OCBC Ltr Support- HB City Council 8-17-15.pdf

Gloria D. Harper, CMC  
Senior Deputy City Clerk  
City of Huntington Beach  
2000 Main Street  
Huntington Beach, CA 92648  
714-536-5209  
[gloria.harper@surfcity-hb.org](mailto:gloria.harper@surfcity-hb.org)

**From:** Matt Petteruto [<mailto:MPetteruto@ocbc.org>]  
**Sent:** Monday, August 17, 2015 9:38 AM  
**To:** Harper, Gloria  
**Subject:** Agenda Item #18- OCBC Ltr of Support

Ms. Harper:

Please see the attached letter from the Orange County Business Council regarding agenda item #18 on the August 17, 2015 council agenda.

### **Matt Petteruto**

Vice President of Economic Development  
Orange County Business Council

2 Park Plaza, Suite 100 | Irvine, CA 92614  
Tel: 949.794.7209



**Don't miss the 2015 Annual Dinner February 19, RSVP [here!](#)**

Join the Leading Voice of Business in Orange County...  
[www.ocbc.org](http://www.ocbc.org) and [www.LocationOC.com](http://www.LocationOC.com)



## Estanislau, Robin

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**From:** Flynn, Joan  
**Sent:** Monday, August 17, 2015 10:25 AM  
**To:** Estanislau, Robin  
**Subject:** FW: Oppose Item 18 on City Council Agenda for August 18, 2015

### SUPPLEMENTAL COMMUNICATION

**From:** Cari [mailto:cswanie@aol.com]  
**Sent:** Sunday, August 16, 2015 7:50 AM  
**To:** CITY COUNCIL  
**Cc:** Flynn, Joan; Fikes, Cathy  
**Subject:** Oppose Item 18 on City Council Agenda for August 18, 2015

Meeting Date: 8-17-2015  
Agenda Item No. # 18

Dear Mayor Hardy and Council Members,

I am writing to urge you to OPPOSE ITEM 18 and urge City Council to take NO ACTION in support of the renewal of the US Export-Import Bank, etc.

Huntington Beach has **NO BUSINESS** being involved in or taking a position on this highly political, extremely controversial issue, the continuation of the Ex-Im Bank! Our city is facing unprecedented challenges including looming unfunded pension liabilities with no clear path to improving the situation, we suffer massive infrastructure neglect and an unending regulatory environment by the state and unelected boards and commissions. Having sat through nearly all the city council meetings for several month, clearly there is no shortage of LOCAL issues that need to be addressed and debated. Huntington Beach should NOT be a lobbying tool for Corporate Welfare and Cronyism!

To begin, the "Supporting Statement" in Councilman O'Connells recommended action is patently FALSE. While the cronyism inherent to EX-IM Banks function may have created some jobs....it has done so at the expense of tens of thousands of other American jobs, including the airline industry. My husband was a pilot. The Air Line Pilot Association has battled against the Ex Im Bank for years due the thousands of jobs lost to foreign carriers as a result of Ex Im cronyism providing subsidies to foreign airlines, thereby knocking American carriers out of routes that they previously served. This has affected hundreds of airline industry jobs in Southern California and over 18,000 jobs nationwide. Bottom line....when the government picks winner and losers.....it NEVER ends well.

Secondly, the statement that Ex Im has "achieved this at no direct cost to the American taxpayer" is also FALSE. I direct you to this report (below) which documents the "sketchy" government accounting used by Ex-Im, which is not even legal in private banking....they never assess risk! And this "unaccounted for" RISK has cost the taxpayers BILLIONS in the past several years according to the by-partisan Congressional Budget Office.

In fact, writer and political analyst Stephen Moore perhaps said it best: "How much do taxpayers have to pay off Boeing [largest beneficiary of Ex Im \$] to make the Export-Import Bank - finally and irrevocably — go away? If the feds wrote a check to Boeing for \$100 million, would they then let the Ex-Im Bank die a merciful and long overdue death?" Stephen Moore also makes the follow statement with regard to the massive campaign by the Chamber of Commerce to protect Ex-Im: "The chamber should get back to being about promoting commerce, not cronyism."

<http://americansforprosperity.org/article/cbo-reveals-export-import-bank-is-a-2-billion-loss-for-taxpayers>

From this report:

A new report from the nonpartisan Congressional Budget Office (CBO) reveals that the Export-Import Bank's six largest programs will be an enormous loss for taxpayers over the next decade. The Bank, which hands out taxpayer-backed financing to foreign corporations that do business with some of America's largest companies claims that it makes a profit for the government. But as the CBO report explains, this claim is based on disingenuous accounting. In reality, the Bank's programs will be a multi-billion dollar loss.

As the result of an insidious number-crunching method, the "Ex-Im" Bank claims it will achieve \$14 billion in savings. In reality, however, the programs will cost \$2 billion—a \$16 billion difference that takes the Bank from the black to the red. Considering a loss of this magnitude, it's no wonder the Bank's supporters oppose privatization.

The Ex-Im Bank and other federal credit agencies use an incomplete accounting formula from the Federal Credit Reform Act of 1990 (FCRA). The CBO has detailed the deficiencies of this method, explaining that it "does not provide a full accounting of what federal credit actually costs the government" because it does not account for the full cost of the risk associated with the loans. Government agencies are the only creditors who use this method. By contrast, private credit agencies (that do not have the option of being bailed out by taxpayers) use fair-value accounting – the more detailed method that CBO used to pin Ex-Im as a \$2 billion cost over the next decade. Fair-value accounting recognizes market risk, thus providing a far more accurate picture of the loans' cost to the government.

The government's own economists are not the only ones to call into question Ex-Im's profitability claim.

Economists at the Manhattan Institute use a Massachusetts Institute of Technology study to conclude that the Bank would pose a cost of \$200 million dollars to taxpayers as a result of its 2012 loans. This conclusion falls in line with the CBO report, since \$200 million a year multiplied by ten years equals a \$2 billion cost. The Manhattan Institute also used fair-value accounting in their assessment.

The Export-Import Bank's deceit is nothing new. It should also come as no surprise for an agency that had the nerve to ask for even more funding this year despite the fact that its second biggest beneficiary is "unknown" by its own accounts.

The fact that the Bank loses (and loses track of) taxpayer dollars should give Congress great pause as they consider its reauthorization this year. The legislature would be wise to put an end to this crony boondoggle once and for all.

<http://www.washingtontimes.com/news/2015/may/24/stephen-moore-chamber-of-commerce-should-not-promo/>

Again, I urge you to oppose Item 18.

Sincerely,

**Cari Swan**

Cell: (714) 287-6779

**Estanislau, Robin**

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**From:** Flynn, Joan  
**Sent:** Monday, August 17, 2015 10:25 AM  
**To:** Estanislau, Robin  
**Subject:** FW: CC Item re: Import Export Bank

**From:** [WMSB@aol.com](mailto:WMSB@aol.com) [mailto:WMSB@aol.com]  
**Sent:** Sunday, August 16, 2015 1:38 PM  
**To:** CITY COUNCIL; Flynn, Joan  
**Subject:** CC Item re: Import Export Bank

Mayor Jill Hardy and HB Council members.

Councilman O'Connell has an H item relating to a National Political issue.

I strongly suggest that Council not vote to become involved in a National issue that has minimal impact on local issues.

HB CC is over burdened with unsolved local issues and has no business taking a group position on the IM Ex Bank issue.

The largest benefactor is Boeing who has a large Political Lobbyist group of their own HB CC has no business carrying their water.

Sincerely

**Barry L Williams**

Cell # 714-745-1499

In God We Trust

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015  
Agenda Item No. # 18

**Estanislau, Robin**

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**From:** Surf City Pipeline [noreply@user.govoutreach.com]  
**Sent:** Monday, August 17, 2015 9:58 AM  
**To:** CITY COUNCIL; Agenda Alerts  
**Subject:** Surf City Pipeline: Comment on an Agenda Item (notification)

**Request # 23401 from the Government Outreach System has been assigned to Agenda Alerts.**

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**Request type:** Comment

**Request area:** City Council - Agenda & Public Hearing Comments

**Citizen name:** pat quintana

**Description:** I am opposed to the City of Huntington Beach taking a position on federal or state legislation unless it has a direct impact on the City of Huntington Beach and its operations. Please do not vote in favor of Mr. O'Connell's suggested endorsement.

**Expected Close Date:** August 18, 2015

[Click here to access the request](#)

Note: This message is for notification purposes only. Please do not reply to this email. Email replies are not monitored and will be ignored.

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. #18

**Dombo, Johanna**

**SUPPLEMENTAL  
COMMUNICATION**

**From:** Tina Ruiz <christinaruiz4@yahoo.com>  
**Sent:** Sunday, August 16, 2015 2:50 PM  
**To:** CITY COUNCIL  
**Subject:** Oppose Agenda Item 18!!!

Meeting Date: 8-17-2015  
Agenda Item No. # 18

Dear Mayor Hardy and Council Members,

I am writing to urge you to OPPOSE ITEM 18 and urge City Council to take NO ACTION in support of the renewal of the US Export-Import Bank, etc.

Huntington Beach has **NO BUSINESS** being involved in or taking a position on this highly political, extremely controversial issue, the continuation of the Ex-Im Bank! Our city is facing unprecedented challenges including looming unfunded pension liabilities with no clear path to improving the situation, we suffer massive infrastructure neglect and an unending regulatory environment by the state and unelected boards and commissions. Having sat through nearly all the city council meetings for several month, clearly there is no shortage of LOCAL issues that need to be addressed and debated. Huntington Beach should NOT be a lobbying tool for Corporate Welfare and Cronyism!

To begin, the "Supporting Statement" in Councilman O'Connells recommended action is patently FALSE.

While the cronyism inherent to EX-IM Banks function may have created some jobs....it has done so at the expense of tens of thousands of other American jobs, including the airline industry. My husband was a pilot. The Air Line Pilot Association has battled against the Ex Im Bank for years due the thousands of jobs lost to foreign carriers as a result of Ex Im cronyism providing subsidies to foreign airlines, thereby knocking American carriers out of routes that they previously served. This has affected hundreds of airline industry jobs in Southern California and over 18,000 jobs nationwide. Bottom line....when the government picks winner and losers.....it NEVER ends well.

Secondly, the statement that Ex Im has "achieved this at no direct cost to the American taxpayer" is also FALSE. I direct you to this report (below) which documents the "sketchy" government accounting used by Ex-Im, which is not even legal in private banking....they never assess risk! And this "unaccounted for" RISK has cost the taxpayers BILLIONS in the past several years according to the by-partisan Congressional Budget Office.

In fact, writer and political analyst Stephen Moore perhaps said it best: "How much do taxpayers have to pay off Boeing [largest beneficiary of Ex Im \$] to make the Export-Import Bank - finally and irrevocably — go away? If the feds wrote a check to Boeing for \$100 million, would they then let the Ex-Im Bank die a merciful and long overdue death?" Stephen Moore also makes the follow statement with regard to the massive campaign by the Chamber of Commerce to protect Ex-Im: "The chamber should get back to being about promoting commerce, not cronyism."

<http://americansforprosperity.org/article/cbo-reveals-export-import-bank-is-a-2-billion-loss-for-taxpayers>

From this report:

A new report from the nonpartisan Congressional Budget Office (CBO) reveals that the Export-Import Bank's six largest programs will be an enormous loss for taxpayers over the next decade. The Bank, which hands out taxpayer-backed financing to foreign corporations that do business with some of America's largest companies claims that it makes a profit for the government. But as the CBO report explains, this claim is based on disingenuous accounting. In reality, the Bank's programs will be a multi-billion dollar loss.

As the result of an insidious number-crunching method, the "Ex-Im" Bank claims it will achieve \$14 billion in savings. In reality, however, the programs will cost \$2 billion—a \$16 billion difference that takes the Bank from the black to the red. Considering a loss of this magnitude, it's no wonder the Bank's supporters oppose privatization.

The Ex-Im Bank and other federal credit agencies use an incomplete accounting formula from the Federal Credit Reform Act of 1990 (FCRA). The CBO has detailed the deficiencies of this method, explaining that it “does not provide a full accounting of what federal credit actually costs the government” because it does not account for the full cost of the risk associated with the loans. Government agencies are the only creditors who use this method.

By contrast, private credit agencies (that do not have the option of being bailed out by taxpayers) use fair-value accounting – the more detailed method that CBO used to pin Ex-Im as a \$2 billion cost over the next decade. Fair-value accounting recognizes market risk, thus providing a far more accurate picture of the loans’ cost to the government.

The government’s own economists are not the only ones to call into question Ex-Im’s profitability claim. Economists at the Manhattan Institute use a Massachusetts Institute of Technology study to conclude that the Bank would pose a cost of \$200 million dollars to taxpayers as a result of its 2012 loans. This conclusion falls in line with the CBO report, since \$200 million a year multiplied by ten years equals a \$2 billion cost. The Manhattan Institute also used fair-value accounting in their assessment.

The Export-Import Bank’s deceit is nothing new. It should also come as no surprise for an agency that had the nerve to ask for even more funding this year despite the fact that its second biggest beneficiary is “unknown” by its own accounts.

The fact that the Bank loses (and loses track of) taxpayer dollars should give Congress great pause as they consider its reauthorization this year. The legislature would be wise to put an end to this crony boondoggle once and for all.

<http://www.washingtontimes.com/news/2015/may/24/stephen-moore-chamber-of-commerce-should-not-promo/>

Again, I urge you to oppose Item 18.

Sincerely,  
Christina Ruiz  
HB Resident

**Dombo, Johanna**

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**From:** Rob Pool <rob.pool.oc@gmail.com>  
**Sent:** Monday, August 17, 2015 12:36 PM  
**To:** CITY COUNCIL  
**Cc:** cfikes@surfcity-hb.org'; Flynn, Joan  
**Subject:** Agenda Item 18

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015  
Agenda Item No. #18

Dear Mayor Hardy and Councilmembers,

I am writing today to address Item 18 of the August 17, 2015 City Council Agenda. I stand in opposition to this agenda item.

The city has a substantial unfunded liability issue. The city is dealing with labor negotiations with the public employee unions. There is a need to pass a transparency ordinance. These are city issues that need immediate attention.

Agenda Item 18, regarding the city of Huntington Beach taking an official opinion on a national matter, with no direct effect on the majority of its citizens, is ill advised at best. I maintain this sets a dangerous precedent. I do not want my city weighing in on national matters unless it can be proven that the matter at hand has a direct effect on the day to day operations of our city. The city council should not become a lobbyist group similar to the Chamber of Commerce.

Let's vote this agenda item down and get back to the city's issues.

Thank you for your consideration and your continued service to our city.

Rob Pool

**Dombo, Johanna**

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**From:** Sylvia Calhoun <skc347@yahoo.com>  
**Sent:** Sunday, August 16, 2015 8:09 PM  
**To:** CITY COUNCIL  
**Subject:** CityCouncil Meeting 17 August 2015

Dear Sirs,

I strongly oppose Agenda Items 16 and 18.

Sylvia Calhoun  
HB resident

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. #18

**Estanislau, Robin**

---

**From:** Dombo, Johanna  
**Sent:** Monday, August 17, 2015 1:39 PM  
**To:** Estanislau, Robin  
**Subject:** FW: Emails to City Council - OPPOSE Agenda Items 16 & 18 - City Council Meeting 8/17/15

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**From:** Sheila Garland [mailto:sheilahgarland@hotmail.com]  
**Sent:** Sunday, August 16, 2015 4:40 PM  
**To:** CITY COUNCIL  
**Subject:** FW: Emails to City Council - OPPOSE Agenda Items 16 & 18 - City Council Meeting 8/17/15

Dear Mayor Hardy and City Council Members,

It is very hot so I am taking a short cut and agreeing with my neighbors Carol Woodworth and Cari Swan. They both wrote eloquent and well researched emails urging you to not support these two measures tomorrow. I hope you will agree and not support these agenda items tomorrow.

Thank you for all that you do for our city.

Sheila Garland  
(714) 727-9102

Resident since 1971

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. #18

---

Dear Mayor Hardy, Mayor Pro-Tem Katapodis and City Council members,

I am writing you today about Agenda item #16 – Selecting a Developer for Redevelopment of Rodger’s Senior Center and negotiate an exclusive negotiation agreement with the developer for residential development. When I read agenda item #16 I immediately had many questions.

1. Did we sell the property already?
2. I thought we needed to vote on new zoning to change the land use from open space/parkland to residential. If so, how can we be looking for a developer already? Why now?
3. Don’t we put the city at legal risk by entering into an agreement with any developer before the public has voted to change the zoning?
4. What if the public votes against changing the area to residential and the ballot measure fails?

I was disappointed to learn the answers to some of my questions by reading the RFQ/P bid proposal. From the city’s RFQ/P “*the selected Developer will be required to lead and manage the process for an anticipated November 2016 general election.* So, the city wants the developer to pay the costs associated with not only putting a ballot measure on the Nov 2016 ballot but “*Ensuring community involvement and a well educated electorate to achieve a successful “Measure C” approval.* Well, that doesn’t seem to fit the spirit of why Measure C was passed. *Per Section 612(a) of the City’s Charter, parkland may not be sold, leased, exchanged or otherwise transferred or disposed of unless authorized by a majority vote of the City Council and by a majority of the electors voting on such proposition at a general or special election.*

The spirit of Measure C was to ensure that voters had the opportunity to voice their opinions about how and if open space would be used in a different manner. It was not passed so that the city could make deals with developers who effectively then become lobbyists who ramrod through a specific land use change. It is unacceptable for the city to use the power and money of an outside developer to "persuade" the public to see their vision.

I urge you to take no action on agenda item #16. We should not be selecting a developer at this time. The city should follow our city's charter and put the land use change on the November ballot without using outside developer's money influencing the outcome of the election.

Sincerely,  
Carol Woodworth

Dear Mayor Hardy and Council Members,

I am writing to oppose Agenda Item 16, recommending that we select a developer for the Rodger's Senior Center property.

In the most simple terms, it appears that the "tail is wagging the dog"! There is no possible way to run a "fair and ethical" Measure C campaign, funded by a pre-selected developer who is purely motivated to "win the referendum". The city staff (government) is essentially anticipating (or rigging) the results of the ballot measure by "assuming" that the developer will be capable of investing a very LARGE amount of money which will result in successful passage of the measure, thereby giving the developer and city the "green light" to develop! This is "government sponsored cronyism" at it's very WORST???? You have basically created a "loophole" for the city and developer to by-pass the true will of the community. And let's just say the developer fails to pass the referendum. Have we now exposed ourselves to legal challenge??

I can only conclude that, as a city, we have become so desperate for sources of revenue due to our UNFUNDED PENSION LIABILITIES that our city leaders are willing to "risk all" to fill any short term deficiency.

Please, I urge you, stop this train wreck now. This is not a proper solution to our long term financial solvency.

This action is morally, ethically and perhaps legally wrong. I urge you to oppose Item 16.

Sincerely,  
**Cari Swan**  
Cell: (714) 287-6779

**OPPOSE Agenda Item 18** recommends the city take action to support of the renewal of the Export Import Bank

Dear Mayor Hardy and Council Members,

I am writing to urge you to OPPOSE ITEM 18 and urge City Council to take NO ACTION in support of the renewal of the US Export-Import Bank, etc.

Huntington Beach has **NO BUSINESS** being involved in or taking a position on this highly political, extremely controversial issue, the continuation of the Ex-Im Bank! Our city is facing unprecedented challenges including looming unfunded pension liabilities with no clear path to improving the situation, we suffer massive infrastructure neglect and an unending regulatory environment by the state and unelected boards and commissions. Having sat through nearly all the city council meetings for several month, clearly there is no shortage of LOCAL issues that need to be addressed and debated. Huntington Beach should NOT be a lobbying tool for Corporate Welfare and Cronyism!

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In fact, writer and political analyst Stephen Moore perhaps said it best: "How much do taxpayers have to pay off Boeing [largest beneficiary of Ex Im \$] to make the Export-Import Bank - finally and irrevocably — go away? If the feds wrote a check to Boeing for \$100 million, would they then let the Ex-Im Bank die a merciful and long overdue death?" Stephen Moore also makes the follow statement with regard to the massive campaign by the Chamber of Commerce to protect Ex-Im: "The chamber should get back to being about promoting commerce, not cronyism."

<http://americansforprosperity.org/article/cbo-reveals-export-import-bank-is-a-2-billion-loss-for-taxpayers>

From this report:

A new report from the nonpartisan Congressional Budget Office (CBO) reveals that the Export-Import Bank's six largest programs will be an enormous loss for taxpayers over the next decade. The Bank, which hands out taxpayer-backed financing to foreign corporations that do business with some of America's largest companies claims that it makes a profit for the government. But as the CBO report explains, this claim is based on disingenuous accounting. In reality, the Bank's programs will be a multi-billion dollar loss.

As the result of an insidious number-crunching method, the "Ex-Im" Bank claims it will achieve \$14 billion in savings. In reality, however, the programs will cost \$2 billion—a \$16 billion difference that takes the Bank from the black to the red. Considering a loss of this magnitude, it's no wonder the Bank's supporters oppose privatization.

The Ex-Im Bank and other federal credit agencies use an incomplete accounting formula from the Federal Credit Reform Act of 1990 (FCRA). The CBO has detailed the deficiencies of this method, explaining that it "does not provide a full accounting of what federal credit actually costs the government" because it does not account for the full cost of the risk associated with the loans. Government agencies are the only creditors who use this method.

By contrast, private credit agencies (that do not have the option of being bailed out by taxpayers) use fair-value accounting – the more detailed method that CBO used to pin Ex-Im as a \$2 billion cost over the next decade. Fair-value accounting recognizes market risk, thus providing a far more accurate picture of the loans' cost to the government.

The government's own economists are not the only ones to call into question Ex-Im's profitability claim. Economists at the Manhattan Institute use a Massachusetts Institute of Technology study to conclude that the Bank would pose a cost of \$200 million dollars to taxpayers as a result of its 2012 loans. This conclusion falls in line with the CBO report, since \$200 million a year multiplied by ten years equals a \$2 billion cost. The Manhattan Institute also used fair-value accounting in their assessment.

The Export-Import Bank's deceit is nothing new. It should also come as no surprise for an agency that had the nerve to ask for even more funding this year despite the fact that its second biggest beneficiary is "unknown" by its own accounts.

The fact that the Bank loses (and loses track of) taxpayer dollars should give Congress great pause as they consider its reauthorization this year. The legislature would be wise to put an end to this crony boondoggle once and for all.

<http://www.washingtontimes.com/news/2015/may/24/stephen-moore-chamber-of-commerce-should-not-promo/>

Again, I urge you to oppose Item 18.

Sincerely,

Cari Swan

**Estanislau, Robin**

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**From:** Surf City Pipeline [noreply@user.govoutreach.com]  
**Sent:** Monday, August 17, 2015 1:31 PM  
**To:** CITY COUNCIL; Agenda Alerts  
**Subject:** Surf City Pipeline: Comment on an Agenda Item (notification)

**Request # 23403 from the Government Outreach System has been assigned to Agenda Alerts.**

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**Request type:** Comment

**Request area:** City Council - Agenda & Public Hearing Comments

**Citizen name:** Ron hIGBY

**Description:** I am opposed to our local city government getting involved with a national issue - the import-export bank. This is apparently important to the Chamber of Commerce. They have their own lobbying resources. The HB City Council has more important issues to deal with, e.g. the impact of the drought and economic development. Please stay focused and vote no on this item.

**Expected Close Date:** August 18, 2015

[Click here to access the request](#)

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**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015  
Agenda Item No. #18

**Estanislau, Robin**

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**From:** Dombo, Johanna  
**Sent:** Monday, August 17, 2015 2:31 PM  
**To:** Estanislau, Robin  
**Cc:** Agenda Alerts  
**Subject:** FW: Agenda item 14, 16 and 18

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**From:** Ron Sterud [mailto:ronsterud@yahoo.com]  
**Sent:** Monday, August 17, 2015 2:20 PM  
**To:** CITY COUNCIL  
**Cc:** Fikes, Cathy; Flynn, Joan  
**Subject:** Agenda item 14, 16 and 18

Dear Mayor Hardy and Council Members,

I am writing to urge that you oppose both Agenda Items 14, 16 and 18.

**Agenda Item 16-Selection of Developer for Rodger's Senior Center:** How on earth can the city issue and RFP and pre-select a developer for an area that has yet to receive a "vote of people" which is required in Measure C? This process is completely backwards and does not honor the original intent of Measure C. The proper action should be for the city to place Measure C on the ballot, and only AFTER a vote by the people, should the city take any action regarding development of this property.

**Agenda Item 18-City Council Support for Export Import Bank:** This is, quite simply, preposterous! The role of City Council is to focus on issues specific to Huntington Beach. To become involved with a high politicized national issue is a very dangerous precedent to set for city council. In addition, the supporting document for this resolution is false and misleading. For those very familiar with the Ex Im Bank, as I am due to the very nature of my business, this institution is nothing more than Corporate Welfare that has cost taxpayers billions of dollars. In addition, it has been very damaging to many industries across the country, while only benefiting a few hand selected, very large corporations. But, to my earlier point, whether one agrees or disagrees with the continuation of the Ex Im Bank, it simply isn't something that I expect my city council to become involved.

**Agenda Item 14-HBBID:** As a BID member, I would like to state that the BID offers ZERO benefit to our city or downtown businesses. Many business owners, myself included would like nothing more than to see the BID disband. I urge you to vote no on agenda Item 14.

Sincerely,  
Ron Sterud

**SUPPLEMENTAL  
COMMUNICATION**

Meeting Date: 8-17-2015

Agenda Item No. #18