

**Special Meeting Minutes
City of Huntington Beach Oversight Board of the Successor Agency
of the Former City of Huntington Beach Redevelopment Agency**

Thursday, August 23, 2012
5:00 PM - Room B-7
Civic Center, 2000 Main Street
Huntington Beach, California 92648

CALL TO ORDER – 5:02 P.M.

ROLL CALL

PRESENT: Chair Hansen, Bone, A. Dunn, Fritzal, and Carchio
ABSENT: Vice Chair L. Dunn, Delgado

PLEDGE OF ALLEGIANCE - Led by Chair Hansen

SUPPLEMENTAL COMMUNICATIONS

Pursuant to the Brown "Open Meetings" Act, Secretary Flynn announced there were no supplemental communication received after distribution of the agenda packet:

PUBLIC COMMENTS - (Limited to 3 minutes per person): None.

BUSINESS

1) Approved and Adopted the May 14, 2012 Special Meeting Minutes

A motion was made by Fritzal, second Bone to approve and adopt the Oversight Board minutes of the Special Meeting of May 14, 2012, as written and on file in the Office of the Secretary of the Board. The motion carried by the following vote:

AYES: Chair Hansen, Bone, A. Dunn, and Fritzal
NOES: None
ABSTAIN: Carchio
ABSENT: Vice Chair L. Dunn, Delgado

2) Approved the Recognized Obligation Payment Schedule (ROPS) for the Period of January 1, 2013 through June 30, 2013; and approved the Administrative Budget and Related Actions

Finance Director Lori Ann Farrell gave a report on the ROPS III and walked the Boardmembers through the matrix which was presented in the new Department of Finance (DOF) format.

Boardmember Steve Bone made an announcement that, as a shareholder, he had an economic conflict of interest within the ROPS for items pertaining to the Hyatt. Member Bone asked that items related to the Hyatt and the Hilton (#2, #13, and #48) be removed from consideration so that he could vote on the remainder of the ROPS III included as Exhibit A of Resolution 2012-02.

A1) A motion was made by A. Dunn, second Hansen to Adopt Resolution No. 2012-02, "A Resolution of the Huntington Beach Oversight Board of the Successor Agency of the Huntington Beach Redevelopment Agency Approving the Recognized Obligation Payment Schedule for the January 1 – June 30, 2013 Six-Month Fiscal Period ("Third ROPS") Excluding Items 2, 13, and 48 of the ROPS III (#2 Hyatt Regency Huntington Beach Project, #13 HUD Section 108 Infrastructure Loan for Hyatt/Hilton Properties, and #48 Waterfront Commercial Master Site Plan). The motion carried by the following vote:

AYES: Chair Hansen, Bone, A. Dunn, Fritzal, and Carchio
NOES: None
ABSENT: Vice Chair L. Dunn, Delgado

Bone recused himself and left the room while the Board discussed, considered and voted on items #2, 13, and 48 from Exhibit A of **Resolution 2012-02**.

A2) A motion was made by Hansen, second A. Dunn to adopt the portions of Resolution No. 2012-02, "A Resolution of the Huntington Beach Oversight Board of the Successor Agency of the Huntington Beach Redevelopment Agency Approving the Recognized Obligation Payment Schedule for the January 1 – June 30, 2013 Six-Month Fiscal Period ("Third ROPS)" **Pertaining to items 2, 13, and 48 of the ROPS III** (#2 Hyatt Regency Huntington Beach Project, #13 HUD Section 108 Infrastructure Loan for Hyatt/Hilton Properties, and #48 Waterfront Commercial Master Site Plan). The motion carried by the following vote:

AYES: Chair Hansen, A. Dunn, Fritzal, and Carchio
NOES: None
RECUSE/ABSTAIN: Bone
ABSENT: Vice Chair L. Dunn, Delgado

Boardmember Bone was alerted of the conclusion of the discussion and vote, and returned to the meeting room.

B) A motion was made by Dunn, second Hansen to Adopt Resolution No. 2012-03, "A Resolution of the Huntington Beach Oversight Board of the Successor Agency of the Huntington Beach Redevelopment Agency Approving the Successor Agency Administrative Budget and Related Actions." The motion carried by the following vote:

AYES: Chair Hansen, Bone, A. Dunn, Fritzal, and Carchio
NOES: None
ABSENT: Vice Chair L. Dunn, Delgado

3) Adopted a Resolution Consenting to and Approving the Termination of an Owner Participation Agreement (OPA) among the City, the former Redevelopment Agency, and Makallon Atlanta Huntington Beach LLC.

A motion was made by Carchio, second A. Dunn to adopt Resolution No. 2012 -04, "A Resolution of the Huntington Beach Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Huntington Beach Consenting to and Approving the Termination of an Owner Participation Agreement Among the City, the Former Redevelopment Agency and Makallon Atlanta Huntington Beach, LLC." The motion carried by the following vote:

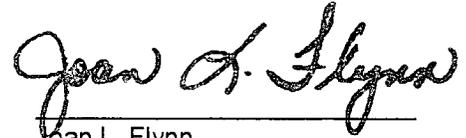
AYES: Chair Hansen, Bone, A. Dunn, Fritzal, and Carchio
NOES: None
ABSENT: Vice Chair L. Dunn, Delgado

4) Overview and Discussion of Assembly Bill 1484 –

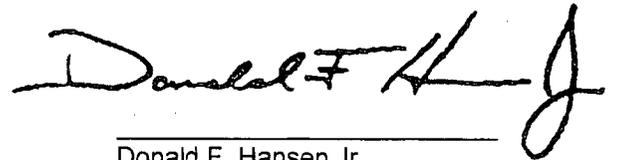
Susan Y. Apy, Attorney at Law for the firm of Kane, Ballmer and Berkman delivered a presentation on the salient points of Assembly Bill 1484, the primary purpose of which is to make technical and substantive amendments to AB 26 based upon experience to-date at the state and local level in implementing AB 26. She also highlighted the additional requirements incorporated into AB 1484 which would require completion by the City prior to moving forward with completing activities, projects and programs. Questions were then directed to her by the Board regarding the goals of AB 26 and how AB 1484 affected those goals. Discussion also centered on the claw back provision and how that would affect the state's payment back to the school system. Questions were raised as to whether bankruptcy was an option for either the Oversight Board or the Successor

Agency. And what liability or immunity the Oversight Boardmembers have while operating under the scope of their duties. Additional time was spent on the concept of smoothing between ROPS periods and the inability to be allowed to utilize smoothing.

ADJOURNMENT: The meeting adjourned at 5:42. The next Special Meeting is tentatively scheduled for Thursday, October 4, 2012, 5:00 p.m. at City Hall, 2000 Main Street, Civic Center Lower Level, Room B-7.



Joan L. Flynn
Secretary of the Huntington Beach
Oversight Board of the Successor
Agency of the Former City of
Huntington Beach, California
Redevelopment Agency



Donald F. Hansen Jr.
Chair of the Huntington Beach
Oversight Board of the Successor
Agency of the Former City of
Huntington Beach, California
Redevelopment Agency