

CITY OF PASADENA
Community Development Commission Minutes
July 30, 2007 – 5:30 P.M.
City Hall Council Chamber

REGULAR MEETING

OPENING: Chair Bogaard called the regular meeting to order at 8:22 p.m.

ROLL CALL:

Commissioners:

Chair Bill Bogaard
Vice Chair Steve Haderlein (Absent)
Commissioner Victor Gordo
Commissioner Chris Holden
Commissioner Steve Madison
Commissioner Margaret McAustin
Commissioner Jacque Robinson
Commissioner Sidney F. Tyler

Staff:

Chief Executive Officer Cynthia Kurtz
General Counsel Michele Beal Bagneris
Secretary Jane L. Rodriguez

PUBLIC COMMENT

No one appeared for public comment.

MINUTES APPROVED

June 18, 2007

It was moved by Commissioner Gordo, seconded by Commissioner Madison, to approve the above minutes, as submitted. (Motion unanimously carried) (Absent: Vice Chair Haderlein)

60-DAY UPDATE ON PRE-NEGOTIATION AGREEMENT PERIOD WITH THE BAKEWELL COMPANY/CENTURY HOUSING CORPORATION FOR DEVELOPMENT OF HERITAGE SQUARE PROJECT AT 19-25 E. ORANGE GROVE BOULEVARD AND 710-790 N FAIR OAKS AVENUE

Recommendation of Chief Executive Officer: It is recommended that the Pasadena Community Development Commission ("Commission") direct staff to:

1. Continue the pre-negotiation period with the Bakewell/Century Housing Corporation based on the project concept show in Exhibit 1, and return to the Commission on September 10, 2007 and;
2. Return to the Commission within 60 days with a defined process for the selection of developers for Commission owned land and suspend any new selection processes until a specific process is in place.

The Chief Executive Officer described the progress that had been made during the past 60-day pre-negotiation agreement

period and responded to questions regarding the height variance that will be requested and other aspects of the revised concept. Ms. Kurtz indicated she would inform the Commission on the circumstances of the sale of property involving Church's Chicken and their right of refusal for retail space in the project and would confirm whether the arts fee would apply in this instance since the project is located in Northwest Pasadena. Ms. Kurtz discussed the recommendation to define a process for selecting a developer for projects involving Commission owned land.

Brian Williams, Assistant City Manager, updated the Commission on the development of the revised development concept and the financial analysis of the project to this time.

Steve Wraight, Related Companies representative (retained by the City), provided an overview of the revised concept and responded to questions.

Paul Silvern, Hamilton, Rabinovitz & Alschuler, Inc. (HR&A) representative (retained by the City), reviewed HR&A's financial analysis of the project based on the revised concept and responded to questions.

Discussion followed on aspects of the basic design, the impact of possible relocation of historic building(s) and demolition costs on the project, methods for filling the financial gap for the project, and developer equity contribution in the project.

The following persons spoke in support of the revised concept and moving forward with the project:

- Danny Bakewell, Sr., The Bakewell Company representative
- Joe Brown, Pasadena resident
- Anthony (Tony) Stewart, Altadena resident
- Steve Wesson, Altadena resident
- Sylvia Hart, Pasadena resident
- Bryant Lyles, Fair Oaks Project Area Committee (PAC) Secretary speaking as an individual

The following persons expressed concerns regarding the (Gowing) investigative report prepared for the City involving the developer selection process:

- John J. Kennedy, Developer Selection Committee (DSC) Chair, submitted a letter dated July 30, 2007 stating his concerns.
- Robert H. McNeill, Jr., legal counsel for The Bakewell Company
- Ishmael Trone, Fair Oaks Project Area Committee (PAC) Co-Chair

Commissioner Holden suggested the concerns expressed by the above public speakers about the process and investigation be addressed by the Commission in some manner in order to assure the Northwest community and PACs that their opinions and input are valued, encouraged the Commission to recognize and integrate what the community has said regarding the process as the project moves forward, and indicated he would like to visit with the community in order to hear their suggestions on how they would like to have the investigative report addressed.

The Chair noted that a letter had been received from Heritage Square (a nonprofit organization in existence since 1969) objecting to the use of the same name for this project and asking for the name of the project to be changed, and suggested the Commission give future consideration to a change in the project name in order to avoid possible conflict. In preparation for giving instructions for setting the parameters of the exclusive negotiation period, the Chair suggested staff provide a comparison of the revised development concept presented in this report with the proposal presented in the Request for Proposals (RFP) and also with the configuration that was presented in the staff report dated October 23, 2006 in order to see the evolution of the project. He also suggested staff provide available information on staff's evaluation of the development team's competence to assist the Commission in determining what additional due diligence might be needed.

Discussion followed on the acceptability of the timeframe for the continuation of the pre-negotiation period with The Bakewell Company/Century Housing Corporation, the steps in moving toward an exclusive negotiation period, the timing for performing due diligence on the project and the developer, and the need to define the responsibilities of the developer and City regarding the project.

The Chief Executive Officer clarified that staff would be focused on providing additional information on the financial analysis and a concept that is close to the revised concept that does not have a funding gap in the report to be presented to the Commission on September 10th, and would address the remainder of the terms listed on Page 2 of the agenda report during the intervening time period, if the financial analysis matches the project and as time allows. She responded to questions regarding staff's actions during the pre-exclusive negotiation period and the exclusive negotiation period that will follow, and the due diligence to be performed by staff.

Commissioner Tyler suggested due diligence on the developer include information on work experience, quality of work performed, prior compliance with development agreement

terms, and financial wherewithal and ability to cover unanticipated costs to assure that the development team can finance and build the project as approved.

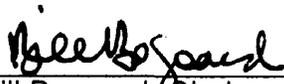
Commissioner Holden asked that this project be evaluated using the same processes and understanding of contingencies as other projects that the City has been involved in and approved.

Commissioner McAustin expressed concerns regarding the comparison of the project as presented in the RFP with the revised development concept and the implications that the changes/differences might have as this relates to the selection process.

The Chief Executive Officer indicated that legal counsel will review the project changes as they will be laid out in the comparison that will be provided to the Commission.

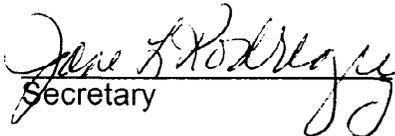
It was moved by Commissioner Holden, seconded by Commissioner Robinson, to approve the Chief Executive Officer's recommendation, with the understanding that staff will finalize a recommendation for the meeting of September 10, 2007 based on the continued discussions with The Bakewell Company/Century Housing Corporation. (Motion unanimously carried) (Absent: Vice Chair Haderlein)

On order of the Chair, the regular meeting of the Community Development Commission adjourned at 10:40 p.m.



Bill Bogaard, Chair
Community Development Commission

ATTEST:



Secretary