ITEM 1 - ROLL CALL
Chair Bailey called the regular meeting of the CADA Board of Directors to order at 9:04 a.m. at 1522 14th Street, Sacramento, CA 95814.

Present:   Lagomarsino, Smith, Bailey
Absent:     Robbins, Otto   Member Otto arrived at 9:11 a.m.

Chair Bailey moved to Agenda Item 3.

ITEM 3 - CHAIR’S REPORT
Chair Bailey welcomed and introduced new State Board appointee, Captain David Smith. Chair Bailey then swore Captain David Smith into office.

Chair Bailey moved to Agenda Item 4.

ITEM 4 - ELECTION OF VICE CHAIR
Chair Bailey nominated Member Lagomarsino to continue as Vice Chair. Member Smith supported Chair Bailey’s recommendation and moved approval.

AYES: Lagomarsino, Smith, Bailey
NOES: None
ABSENT: Otto, Robbins

Chair Bailey moved to Agenda Item 5.

ITEM 5 - 2014 BOARD COMMITTEE APPOINTMENTS
Chair Bailey proposed the following Board Committee appointments:

Ann Bailey and Kristan Otto   Operations Committee
Page Robbins and Bob Lagomarsino Development and Construction Committee
Ann Bailey and David Smith Neighborhood Development Committee

Board Members concurred with Chair Bailey’s recommendation.

Chair Bailey moved to Agenda Item 6.

ITEM 6 - EXECUTIVE DIRECTOR’S REPORT
Wendy Saunders reported the following:

- Changes in protocol as to how CADA conducts its committee meetings:
  - Items that may be controversial and worthy of committee discussion(s) where staff needs feedback to ensure they on the same page as the Board and/or to seek Board’s guidance, a meeting or meetings will be scheduled for that specific committee(s).
  - The committee meetings will be scheduled on the calendar every month, but may be cancelled more frequently than has historically been the case, she wanted the Board to know what protocol has been established with staff.
  - She reported that this subject was discussed with Chair Bailey and she concurred with this change in protocol.
Chair Bailey stated that should any of the Board Members feel that they would like to be more fully informed on any subject, this item can be brought up again for discussion.

- She gave a presentation at and participated on the Urban Land Institute (ULI) panel last week. Members Robbins, Smith and Lagomarsino were in attendance. In preparing for the ULI panel, she felt it was really helpful in terms of thinking about what opportunities CADA has, if CADA gets the approval to develop Sites 5, 6 and 21. It was a great opportunity to see and meet those people who have current projects that being leased or sold along with receiving a lot of interesting feedback. She then discussed several of the projects that she had toured.

- She provided an oral report on the Philadelphia Study Mission that included:
  - The redevelopment of the brick warehouse structures occupied by Urban Outfitters at the Navy Yard which are similar to the brick structures at the Sacramento Railyard. She stated that it was very impressive and inspired the attendees to think about what Sacramento’s Railyard could be.
  - The role the arts played in the redevelopment of Philadelphia such as the Kimmel Center for Performing Arts, a $260 Million performing art center. It transformed and revitalized the whole neighborhood.
  - She was very impressed with the impact two universities, the University of Pennsylvania and Drexel University, made in the area called University City. The universities have done an amazing and very obvious job of making the town-gown connection real and developing technology around the university intellect. She reported that Drexel University and Kaiser were the sponsors of the Philadelphia Study Mission.

- She reported that Kaiser is looking at the possibility of building a new hospital at the Railyards in Sacramento. Kaiser is also in discussions with Drexel University about building a medical school in conjunction with the proposed project.

- She reported that there is an effort moving forward to create an arts amenities master plan through the Sacramento Chamber of Commerce. She suggested having a member of the committee give a presentation to the Board on the proposed master plan at a future meeting.

Chair Bailey moved to Agenda Item 2.

**ITEM 2 - APPROVAL OF MINUTES: October 25, 2013**
Member Lagomarsino moved approval of the minutes of October 25, 2013. Member Otto seconded the motion.

- AYES: Lagomarsino, Otto, Bailey
- NOES: None
- ABSTAINED: Member Smith
- ABSENT: Robbins

Chair Bailey moved to Agenda Item 7.

**ITEM 7 - AUDITED FINANCIAL STATEMENT - FISCAL YEAR 2012-2013**
Noelle Mussen presented the following:

- Staff recommends that the Board, by separate resolutions, accept the following five audited financial reports as prepared and released by Macias, Gini & O'Connell, LLP:
  - Capitol Area Development Authority
  - Somerset Parkside Apartments (Contract Number 80-RHC-007)
  - Biele Place Apartments (Contract Number 80-RHC-032)
  - Brannan Court Apartments (Contract Number 86-32-N)
  - Seventeenth Street Commons (Contract Number 99-024-N)

Noelle Mussen then introduced and welcomed Jeff Stone from Macias, Gini & O'Connell, LLP who provided an overview of the audit.

No Board comments.

No further public comments.
Member Otto moved approval of Resolutions 13-47, 13-48, 13-49, 13-50 and 13-51, attached hereto and incorporated herein. Member Lagomarsino seconded the motion.

**AYES:** Lagomarsino, Otto, Smith, Bailey  
**NOES:** None  
**ABSENT:** Robbins

**CONSENT CALENDAR (ITEMS 8 AND 9)**  
**ITEM 8 – 2014 BOARD MEETINGS AND COMMITTEE MEETINGS SCHEDULES**  
**ITEM 9 – EMPLOYEE HANDBOOK**  
Chair Bailey asked if there were any Board Members who desired Agenda Items 8 and 9 be taken off the Consent Calendar.

No Board comments.

No public comments.

Member Lagomarsino moved approval of Resolutions 13-52, 13-53 and 13-54, attached hereto and incorporated herein. Member Smith seconded the motion.

**AYES:** Lagomarsino, Otto, Smith, Bailey  
**NOES:** None  
**ABSENT:** Robbins

**ITEM 10 – 16 POWERHOUSE, EAST END GATEWAY SITE 4, I-BANK LOAN AGREEMENT (SOUTHEAST CORNER OF 16TH AND P STREETS)**  
Tom Kigar reported the following:

- Staff recommends that the Board adopt a resolution authorizing the Executive Director to enter into a Tax Allocation Loan Agreement with the California Infrastructure and Economic Development Bank (I-Bank) to receive funding from the Infrastructure State Revolving Fund Program (ISRF Program) for the 16th and P / Powerhouse Alley Infrastructure Improvement, and take any and all actions necessary to close the loan.

- Reviewed the revised resolution presented at the Board meeting today.

Tom Kigar then introduced Developer, Bay Miry, who thanked Wendy Saunders and Tom Kigar for their efforts to close the I-Bank loan and provided an update on the progress of the project.

No Board comments.

No further public comments.

Member Otto moved approval of Resolution 13-55 as revised, attached hereto and incorporated herein. Member Lagomarsino seconded the motion.

**AYES:** Lagomarsino, Otto, Smith, Bailey  
**NOES:** None  
**ABSENT:** Robbins

**ITEM 11 – CAPITOL LOFTS (B & G BUILDING, 12TH & R STREETS) REFUND OF PHASE I PROJECT OPTION FEES (11TH AND R STREETS)**  
Todd Leon reported the following:

- Staff recommends that the Board adopt a resolution authorizing the Executive Director to refund option fees paid by Capitol Lofts-Sacramento, LLC in accordance with the 2nd Amendment to the 3rd Revised and Restated Disposition and Development Agreement (DDA) with Capitol Lofts-Sacramento, LLC for the Phase I development of the Capitol Lofts Project.
He reported that the 2\textsuperscript{nd} Amendment to the 3\textsuperscript{rd} Revised and Restated DDA deferred the Developer option fees, and required the Developer to close on the property and begin construction by November 1. If the Developer met all requirements by that date, CADA would waive the option fees.

The Developer met all requirements by November 1st, but the closing did not occur due to the time required by F & M Bank and CADA to complete and process the legal documents in order to close on the site. To avoid falling into default of the DDA, the Developer paid the deferred option fees due on November 1\textsuperscript{st}. The Developer has requested that the Phase I option fees of $7,875 that were paid, be refunded.

Todd Leon introduced the Developer, Ali Youssefi, who provided an update on the progress of the project.

No Board comments.

No further public comments.

Member Lagomarsino moved approval of Resolution 13-56, attached hereto and incorporated herein. Member Otto seconded the motion.

\textbf{AYES}: Lagomarsino, Otto, Smith, Bailey  
\textbf{NOES}: None  
\textbf{ABSENT}: Robbins

\textbf{ITEM 12 - EAST END GATEWAY SITE 1 FIFTH AMENDMENT TO THE REVISED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT (NORTHWEST CORNER OF 16\textsuperscript{TH} AND N STREETS)}

Marc de la Vergne reported the following:

- Staff recommends that the Board adopt a resolution authorizing the Executive Director to execute a Fifth Amendment to the Revised and Restated Disposition and Development Agreement for East End Gateway Site 1 and the enter into other written documents, as needed, pertaining to additional permanent utility easements for the project that may be necessary.

- In order to address the need for a utility easement, and because of East West Bank’s review of its construction loan taking longer than expected, the bank asked CADA to update the Schedule of Performance. Staff determined that a small clarification to the Conditions Precedent to Remediation was also necessary in order to conform to the Schedule of Performance. A Fifth Amendment to the DDA is needed at this time.

There was Board and staff discussion regarding parking availability, the resurrection and interest in ownership housing downtown, and the possibility in the future to have a project that would offer ownership housing.

No further Board comments.

No public comments.

Member Smith moved approval of Resolution 13-57, attached hereto and incorporated herein. Member Otto seconded the motion.

\textbf{AYES}: Lagomarsino, Otto, Smith, Bailey  
\textbf{NOES}: None  
\textbf{ABSENT}: Robbins

\textbf{ITEM 13 - FISCAL YEAR 2013-14 MID-YEAR REVISION OF THE GENERAL OPERATIONS BUDGET AND CAPITAL INVESTMENT PROGRAM BUDGETS, INCLUDING ASSESSMENT OF FUND BALANCES}

Noelle Mussen provided a Powerpoint presentation and reported the following:
Staff recommends that the Board adopt a resolution approving mid-year revisions to the FY 13-14 Annual General Operations Budget and the Capital Investment Program Budgets as follows:

◊ Revise the FY 13-14 General Operations Budget to reflect a net increase of $111,000.
◊ Revise the Major Construction CIP Budgets increasing the FY 13-14 Budget by $70,000.
◊ Revise the Development CIP Budgets decreasing the FY 08-09 Budget by $2,789 and creating a new project and associated budget of $35,000 for FY 13-14.
◊ Reallocate $400,000 in bond proceeds from a development project to the undesignated category.

Chair Bailey reported that the Operations Committee supported staff’s recommendation.

No further Board comments.

No public comments.

Member Smith moved approval of Resolution 13-58, attached hereto and incorporated herein. Member Otto seconded the motion.

AYES: Lagomarsino, Otto, Smith, Bailey
NOES: None
ABSENT: Robbins

ITEM 14 – FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP) MIDYEAR REPORT
Matthew Thompson provided an overview of the Five-Year Capital Improvements Program Midyear Report.

For review and comment only. No action taken.

ITEM 15 – CALPERS RETIREMENT EMPLOYER PAID MEMBER CONTRIBUTIONS
Jill Azevedo reported the following:

• Staff recommends that the Board adopt a resolution entitled “Resolution for Employer Paid Member Contributions” to be effective January 1, 2014, reducing CADA’s contribution towards the CADA employee’s portion of retirement costs for “Current Member” from 3% of their monthly salary to 2%.

No Board comments.

No public comments.

Member Lagomarsino moved approval of Resolution 13-59, attached hereto and incorporated herein. Member Otto seconded the motion.

AYES: Lagomarsino, Otto, Smith, Bailey
NOES: None
ABSENT: Robbins

ITEM 16 – CADA FLEX PLAN CONTRIBUTIONS
Jill Azevedo reported the following:

• Staff recommends that the Board adopt a resolution setting the CADA Flex Plan Employer Contribution for the 2014 calendar year.

No Board comments.

No public comments.

Member Smith moved approval of Resolution 13-60, attached hereto and incorporated herein. Member Otto seconded the motion.
ITEM 17 - CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Pursuant to California Government Code 54957 (b) (1))
   Unrepresented Employee: Executive Director
   Agency Designated Representative: Ann Bailey

B. NEGOTIATIONS WITH UNREPRESENTED EMPLOYEE (Pursuant to California Government Code 5497.6)
   Unrepresented Employee: Executive Director
   Agency Designated Representative: Ann Bailey

ITEM 18 - EXECUTIVE DIRECTOR’S COMPENSATION

Chair Bailey reported that the Board discussed the Executive Director’s evaluation. There was no Board action taken.

ITEM 19 - STAFF REPORTS/UPDATES

A. Sale of Development Ground Lease Properties: No report.

B. Capitol Area Committee Update: No report.

C. Downtown Sacramento Partnership: No report.

D. Downtown Sacramento Revitalization Corporation: No report.

E. Midtown Business Association: No report.

F. Mercury Cleaners (Northeast Corner of 16th and O Streets) - Marc de la Vergne reported that the Department of General Services will be conducting air testing inside Simon’s Restaurant, and soil and water testing inside the Mercury Cleaners Building under a testing program that DGS is working out with the Water Board. An update on the results will be provided to the Board at a later date.

G. The Warren - Site 1 (Northwest Corner of 16th and N Streets): Marc de la Vergne reported that staff received an e-mail this morning from East West Bank confirming that they are ready to proceed with the construction loan for the project. This item was also reported on in Agenda Item 12.

H. O Street Streetscape: Marc de la Vergne reported that the Regional Transit power pole repainting project is three quarters complete between 10th and 12th Streets. If budget permits, the project will move forward on the next couple of blocks.

I. Legado de Ravel - Sites 2 and 3 (Northwest and Southwest Corners of 16th and O Streets): Tom Kigar reported that the City is currently working on the off-site improvements that includes stormwater drainage. The Developer anticipates receiving its Certificate of Occupancy by the first week in January.

J. 16 Powerhouse - Site 4 (Southeast Corner of 16th and P Streets): This item was reported on in Agenda Item 10.

K. Site 9B (1610 17th Street): Tom Kigar reported that the project is on schedule to be completed this summer.

L. WAL/B & G Building (11th/R Streets): Todd Leon reported the following:
   ● The concrete work has been completed and the contractors are currently in the framing stage.
   ● Staff will be touring Senator Steinberg’s staff through the project next Thursday at 1:00 p.m.
   ● CADA staff will be submitting a letter of intent for a grant application to Art Place America for an amount up to $500,000.
Ali Youssefi approached staff to engage CADA’s participation in the grant application and to help determine a match utilizing the completion of the Warehouse Artists’ Lofts in conjunction with creating a larger more distinct art district on R Street.

- The grant will help fund the completion of the screen murals on the buildings and parklets along R Street.
- To bring activity to the street, staff will be applying for funding for a flexible retail gallery space that is being considered inside the WAL project for artists and other entrepreneurs who are looking for pop-up retail space in the City of Sacramento. This will also provide gallery space for second Saturday events for residents of the WAL project.
- There are two aspects of the grant proposal.
  1) It will be bringing in the Arts and Business Council, a non-profit in the City of Sacramento and in the region that operates Flywheel which is an arts incubator. They completed their pilot program and have launched their second addition. They want to expand the program and secure a permanent office location for their venture, so they will be bringing that to the WAL and will be sharing that space with other tenants.
  2) To create a branding and marketing campaign on a large regional scale for the entire corridor, specifically for the 13th Street area to cohesively gel all ideas; an art house and venues such as the Helvetia Theatre and the music at Fox and Goose. This grant would also pay for a curator to help design the cohesiveness for the whole corridor. The total project cost is $690,000. CADA will be applying for the $500,000 grant. The over additional cost of the budget will come from the Developer, other smaller sources, and miscellaneous funds from CADA and the R Street Partnership.

The B&G Building: This item was reported on in Agenda Item 11.

M. 16th Street Streetscape – Todd Leon reported that the Developer, CADA and City staff have learned a lot through their experience of completing the first phase of streetscape improvements with will help alleviate obstacles in the next phase of improvements. The City anticipates completing their design by January and will go out to bid on their portion of the 16th Street improvements by this summer.

N. Jefferson School (1619 N Street): No report.

O. Fremont Park: No report.

P. R Street PBID - Todd Leon reported that the PBID had its yearly property owners Board meeting. There are two new Board Members, Jerry Way from the Department of Transportation and the other is a partner of Magpie Café.

Q. R Street Streetscape Phase II, Market Plaza: Todd Leon reported that SACOG approved the funding for the programs under the grant. Hopefully this project will be under construction by this next year.

R. R Street Streetscape Phases III and IV: Todd Leon reported that staff is finishing the project description necessary to submit the environmental work and begin the NEPA analysis in January with CalTrans. It will take eight to twelve months to complete the process. The project continues to be on schedule with the timeline set with the City in getting this work done for the next issue of SACOG funding.

S. R Street Affordable Housing: No report.

ITEM 10 - TRANSMITTALS
Received as transmitted.

ITEM 11 - OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD REGARDING MATTERS NOT ON THE AGENDA
None

ITEM 12 - ADJOURNMENT
The meeting adjourned at 11:33 a.m.

Sharon M. Bennett
Secretary to the Board of Directors