

**Metro Gold Line Foothill Extension Construction Authority Special Board Meeting
Arcadia City Council Chambers
240 West Huntington Drive
Arcadia, California 91007
December 21, 2011
7:00 P.M.**

1. Call to Order:

Chairman Tessitor called the meeting to order at approximately 7:11 PM.

Chairman Tessitor indicated that Los Angeles City Councilman Ed Reyes was sworn in as a Board member replacing Jon Blickenstaff prior to the Board Meeting. General Counsel Estrada indicated that the Los Angeles City Council re-appointed Board Member Reyes at its most recent meeting and that he was sworn in prior to the start of the Board meeting. Chairman Tessitor welcomed Board Member Reyes back and thanks Jon Blickenstaff for his service.

2. Roll Call:

Member	Appointing Entity	Present	Absent
<i>Voting Members</i>			
Doug Tessitor, <i>Chair</i>	City of Pasadena	X	
Sam Pedroza, <i>1st Vice Chair</i>	SGVCOG	X	
Ed Reyes	City of Los Angeles	X	
Keith Hanks	City of South Pasadena	X	
John Fasana	LACMTA	X	
<i>Non-Voting Members</i>			
Lara Larramendi	Governor of California	X	
Bill Bogaard	City of Pasadena	X	
Daniel Evans	City of South Pasadena		X
<i>Alternate Members</i>			
Gerry Miller	City of Los Angeles	—	—

3. Pledge of Allegiance

Ed Reyes led the Pledge of Allegiance.

4. Public Comments on Items On/Off Agenda

Chairman Tessitor indicated that he had a number of public comment cards for Agenda Item 6 and inquired if these persons wished to speak now or at the time of the item. An indication was given that individuals wished to wait to speak at the time of the Agenda Item. Chairman Tessitor closed public comment.

5. CEO's Monthly Report

Mr. Balian indicated that there was nothing new to report since the last Board meeting on December 14th.

6. General Board Items

Hearing on Resolutions of Necessity

- i. Consideration of Adoption of a Resolution of Necessity for the Acquisition by Eminent Domain of Certain Real Property Interests located at Little Duarte Road located in the City of Monrovia, CA adjacent to the south side of the parcel located at 475 East Duarte Road, and further identified as Los Angeles County Assessor's Parcel Number. 8513-012-910 for Public Purposes, Namely for Public Transit Purposes.
- ii. Consideration of Adoption of a Resolution of Necessity for the Acquisition by Eminent Domain of Certain Real Property Interests located at (1) 1616 South California Avenue, and further identified as Los Angeles County Assessor's Parcel Numbers 8513-012-911 and 912 and a portion of 8513-012-913; (2) 1714 South California Avenue, and further identified as Los Angeles County Assessor's Parcel Number 8513-012-908 and a portion of 8513-012-913; and (3) 475 East Duarte Road, and further identified as Los Angeles County Assessor's Parcel Numbers 8513-012-909 and 910 and a portion of 8513-012-913, for Public Purposes, Namely for Public Transit Purposes.

Chairman Tessitor introduced the Agenda Item. General Counsel Estrada indicated that he would step-down for this item and the Mr. Wesley Beverlin would assume his seat for this item.

Mr. Beverlin provided the report. Mr. Beverlin indicated that the properties owned by the City of Monrovia and the Monrovia Redevelopment Agency were necessary for purposes of the Maintenance and Operation Facility. Mr. Beverlin indicated that the parties have worked together to achieve agreements for the sale of the properties to the Construction Authority, but due to recent events including the pending California Supreme Court ruling regarding the continued existence redevelopment agencies, staff must proceed with condemnation due to project scheduling constraints. Mr. Beverlin indicated that the Construction Authority had updated appraisals conducted in late November of the Monrovia-owned properties. Mr. Beverlin indicated that based on those appraisals new offers to purchase were made to both the City of Monrovia and the Monrovia Redevelopment Agency on November 28, 2011. Mr. Beverlin indicated that the offers were formally rejected and provided a counteroffer of the same price as previously negotiated between the parties. Mr. Beverlin indicated that notices of this evening's Hearing of Public Necessity were served to the City and the Redevelopment Agency on December 5, 2011. Mr. Beverlin indicated that the Board should consider whether or not the facts and circumstances exist for the condemnation of the City of Monrovia and Monrovia Redevelopment Agency parcels in the Maintenance and Operation Facility location. Mr. Beverlin indicated that the reasons for the proposed condemnation are elaborated in detail the Report for

Agenda Item 6. Mr. Beverlin indicated that the two Resolutions of Necessity before the Board to consider cover the larger parcel owned by the Redevelopment Agency and the smaller parcel owned by the City of Monrovia. Mr. Beverlin indicated that based upon the facts and circumstances contained in the Board Report for Agenda Item 6, staff is recommending that the Board consider the comments of the public and interested parties and determine whether or not the Resolutions of Necessity should be adopted.

Chairman Tessitor thanks Mr. Beverlin for his report and inquired if any Board Member had questions for staff and if not would open the public comment portion of the item. Chairman Tessitor indicated that he had four public comment cards and called Mr. Christopher Sutton.

Mr. Christopher Sutton introduced himself as representing George and Diana Brokate and Excalibur Properties, indicated that he had provided a letter to the Clerk of Board regarding "Objections to Proposed Resolutions for Necessity". Mr. Sutton provided a summary of his objections as detailed in his letter to the Board.

Chairman Tessitor called Mr. Robert Silverstein.

Mr. Robert Silverstein introduced himself as Counsel for George Brokate and Excalibur Properties. Mr. Silverstein inquired why staff had taken so long to bring the Resolution of Necessity against the City and the Redevelopment Agency. Mr. Silverstein indicated that he believed the amounts agreed to in the Purchase and Sale Agreement were outrageous sums and a misuse of taxpayers' dollars. Mr. Silverstein indicated that he believed a conspiracy exists between the parties. Mr. Silverstein provided additional comments as outline in his correspondence to the Board entitled "Additional Comments on December 21, 2011 Gold Line Agenda Item No. 6, Resolutions of Necessity" and "Objection to Inadequate Disclosure and Analysis of Alternative to the Proposed Monrovia Maintenance and Operation Facility".

Chairman Tessitor called Allison Burns.

Ms. Allison Burns introduced herself as counsel for City of Monrovia and Monrovia Redevelopment Agency. Ms. Burns indicated that based upon the letter provided to the Board dated December 20, 2011 and the absence of a more necessary public use, the City and Redevelopment Agency objects and urges a no vote.

Mr. Blaine Fetter of Samuelson & Fetter LLC indicated that Samuelsson and Fetter has an interest in the properties that in the M&O facility in addition to the The Parks.

Chairman Tessitor requested if there was anyone else who wished to speak on the item, seeing and hearing none, the public comment portion was closed.

Chairman Tessitor inquired if there were any questions from the Board.

Board Member Pedroza inquired of staff why the M&O site was chosen. Mr. Burner, Chief Project Officer, indicated that staff conducted an environmental evaluation of several sites and that after the environmental analysis determined the Monrovia M&O site to be the superior preferred site, it was presented to the Board and was approved. Mr. Burner indicated that the City of Monrovia and Redevelopment Agency parcels make up fifty-three percent (53%) of the 24 acre site. Mr. Burner indicated that the property is needed to meet funding agreement obligations with Metro as well as final investigation of environmental hazards and remediation of those hazards.

Board Member Hanks inquired of Mr. Beverlin that based upon the several assertions that had been made during public comment, is there anything that would stand in the way of the Board moving forward. Mr. Beverlin indicated that while he has not been able to fully digest the correspondence from Mr. Sutton and Mr. Silverstein, he has been able to peruse much of it and based upon their comment he sees no reason for the Board to proceed.

Board Member Hanks asked Mr. Beverlin to review the steps that will occur if the Resolutions of Necessity are adopted this evening. Mr. Beverlin indicated that once the Resolutions are adopted, his office would file condemnation complaints in Los Angeles Superior Court and deposit the probable compensation for the properties as determined by the recent appraisals with the court. Mr. Beverlin indicated that a motion for pre-judgment possession would then be filed with the court. Mr. Beverlin indicated that the parties would continue to try to reach an agreement if possible and if no agreement were possible there would be a jury trial. Mr. Beverlin indicated that if the Construction Authority prevailed, the title of the property would be conveyed to the Construction Authority and its Trust.

Board Member Hanks inquired if all of the activities described would be completed with the schedule requirements. Mr. Beverlin indicated that he believed it would be, but there are always some uncertainties.

Chairman Tessitor inquired of Mr. Beverlin what is the status of the Supreme Court review of the existence of redevelopment agencies and can the redevelopment agencies conduct any business prior to the court's decision. Mr. Beverlin indicated that based upon the Supreme Court stay, it is his opinion that redevelopment agencies are precluded for any activity until the stay is lifted or a ruling is made by the Supreme Court. Mr. Beverlin indicated that a ruling from the Supreme Court is expected any day.

Chairman Tessitor indicated that based on the timing of the Supreme Court ruling, does Mr. Beverlin believe that the action tonight would preserve the option and alternative down the road to make sure the project remains on schedule if a negative ruling by the Supreme Court occurs. Mr. Beverlin indicated that the Chairman's statement was correct. Mr. Beverlin indicated that due to the contractual arrangements between the Construction Authority and the Phase 2A contractor, the M&O property must be in the possession of the Authority by mid-April.

Chairman Tessitor inquired of Mr. Beverlin that depending upon the action of the Board tonight, what is the impact and on existing negotiated Purchase and Sale Agreement

with the City of Monrovia and the Monrovia Redevelopment Agency. Mr. Beverlin indicated that there is no impact that the two are on parallel tracts.

Mr. Beverlin indicated that he would like to draw the Board's attention to page 4 of the Board Report and specifically that the Resolutions before the Board clearly state that in order for the Board to approve the Resolutions, they must find that the following is true (1) that the public interest and necessity required this proposed project; (2) that the proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; (3) that the property described in the respective Resolutions of Necessity for the property are correct and (4) that the offer required by Section 7267.1 of the California Government Code has been made, which I have reported has occurred.

Chairman Tessitor inquired if there were any additional questions from the Board, hearing and seeing none, the Chairman requested the Board Secretary to read the motion for Resolution Number 2011-R-11.

The Board Secretary indicated that Resolution Number 2011-R-11 is a Resolution of Necessity of the Metro Gold Line Foothill Extension Construction Authority, formerly known as the Pasadena Metro Blue Line Construction Authority, declaring certain real property interests identifies that part of Little Duarte Road, located in the City of Monrovia, California, adjacent to the south side of the parcel located at 475 East Duarte Road, and further identified as Los Angeles County Tax Assessor's Parcel Number 8513-012-910, necessary for public purposes and authorizing acquisition therefore for public transit purposes. The Board Secretary indicated that the resolution is placed before the Board for a motion, second and subsequent roll-call vote. A Four-fifth vote is required to adopt the resolution.

Chairman Tessitor requested a motion for the Consideration of Resolution Number 2011-R-11. Board Member Hanks mad a motion to adopt the Resolution which was seconded by Board member Pedroza. The Board Secretary conducted a roll-call vote o the Board which resulted in a five (5) yes votes and zero (0) no votes. [Yes – Tessitor, Pedroza, Reyes, Hanks and Fasana; No – none]

Chairman Tessitor requested that the Board Secretary read the motion for Resolution Number 2011-R-12,

Then Board Secretary indicated that Resolution Number 2011-R-12 is for a Resolution of Necessity of the Metro Gold Line Foothill Extension Construction Authority, formerly known as the Pasadena Metro Blue Line Construction Authority, declaring certain real property interests located in the City of Monrovia, California, identified as 1 -- address 1616 South California Avenue and further identified as Los Angeles County Assessor Parcels Number 8513-012-911 and -912 and a portion of 8513-012-913; Number two, address 1714 South California Avenue, and further identified as Los Angeles County Assessor's Parcel Number 8513-012-908, and a portion of 8513-012-913; and, Number three, address 475 East Duarte Road and further identified as Los Angeles County Assessor's Parcel Numbers 8513-012-909 and -910 and a portion of 8513-012-913 necessary for public purposes and authorizing the acquisition thereof for public transit.

purposes. The Board Secretary indicated that this resolution is placed before the Board for a motion, second and subsequent roll-call vote. A four-fifths vote is required to adopt the resolution.

Chairman Tessitor requested a motion for the Consideration of Resolution Number 2011-R-12. Board Member Pedroza mad a motion to adopt the Resolution which was seconded by Board member Reyes. The Board Secretary conducted a roll-call vote o the Board which resulted in a five (5) yes votes and zero (0) no votes. [Yes – Tessitor, Pedroza, Reyes, Hanks and Fasana; No – none]

Chairman Tessitor requested a motion to receive and file the report on Project Update: Quality Management. Board Member Hanks made a motion to receive and file the report, Board Member Fasana seconded the motion which was then approved unanimously.

7. General Counsel’s Report

None.

8. Board Member Comments

The Board Members wished everyone Holidays and welcomed Board Member Reyes back.

General Counsel Estrada reviewed the various items that would be considered in Closed Session and indicated that there may be some reportable action. Chairman Tessitor recessed the meeting into Closed Session at 8:10 pm.

9. Closed Session

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORG.C. 54956.8

(i) Property: (1) 8513-012-804; (2) 8513-012-805; (3) 8513-012-806;
(4) 8513-012-908; (5) 8513-012-909; (6) 8513-012-910
(7) 8513-012-911; (8) 8513-012-912; (9) 8513-012-913

Agency Negotiator: Habib F. Balian and Wes Beverlin, Esq.
Negotiating Parties: City of Monrovia and Monrovia Redevelopment Agency
Under Negotiation: Price and terms

(ii) Property: (1) 8513-012-032; (2) 8513-012-033;
(3) 8513-012-034; (4) 8513-012-035;
(5) 8513-012-036

Agency Negotiator: Habib F. Balian and Regina Danner, Esq.
Negotiating Parties: Excalibur Holdings
Under Negotiation: Price and terms

- (iii) Property: 8531-017-022
Agency Negotiator: Habib F. Balian and Regina Danner, Esq.
Negotiating Parties: Peter & Yolanda Gutierrez
Under Negotiation: Price and terms
- (iv) Property: 8528-015-051
Agency Negotiator: Habib F. Balian and Regina Danner, Esq.
Negotiating Parties: Cal-Am Water
Under Negotiation: Price and terms
- (v) Property: 8531-017-021
Agency Negotiator: Habib F. Balian and Regina Danner, Esq.
Negotiating Parties: Javier & Micaela Sanchez
Under Negotiation: Price and terms

B. CONFERENCE WITH LEGAL COUNSEL: G.C. 54956.9(a)
Pending Litigation

- (i) Excalibur Property Holdings, LLC and George Brokate v.
Pasadena Metro Blue Line Construction Authority
Case No. BS130732
- (ii) Excalibur Property Holdings, LLC and George Brokate v.
City of Monrovia et. al.
Case No. BS129985
- (iii) Excalibur Property Holdings, LLC and George Brokate v.
Pasadena Metro Blue Line Construction Authority et. al.
Case No. BS133977

10. Adjournment

The Board entered Closed Session at 8:10 PM. General Counsel Estrada indicated that there were no reportable actions. Chairman Tessitor adjourned the meeting at approximately 8:36 pm.