

**MINUTES  
OF  
REGULAR BOARD MEETING**

**BOARD OF DIRECTORS  
CAPITOL AREA DEVELOPMENT AUTHORITY**

**June 21, 2019**

**ITEM 1 – ROLL CALL**

Chair Bailey called the Board Meeting of the CADA Board of Directors to order at 10:01 a.m. at 1522 14<sup>th</sup> Street, Sacramento, CA 95814.

Present: Avdis, Lagomarsino, Winston, Bailey

Absent: Maviglio

**ITEM 2 – APPROVAL OF MINUTES: MAY 17, 2019**

Member Lagomarsino moved approval of the May 17, 2019 CADA Board Meeting minutes. Member Winston seconded the motion.

AYES: Avdis, Lagomarsino, Winston, Bailey

NOES: None

**ITEM 3 – CHAIR'S ORAL REPORT**

No report.

**ITEM 4 – EXECUTIVE DIRECTOR'S ORAL REPORT**

Wendy Saunders reported the following:

- She toured Nikki Mohanna's 19th and J building. The building has 175 units many of which are micro-units at less than 300 square feet. The units had some of the best-looking finishes staff has seen.
- She has had many meetings with the City and the DGS regarding opportunities for development of state-owned property, pursuant to the Governor's executive order. She thanked everyone for participating in some of those meetings. There was a lot of enthusiasm, especially by Mayor Steinberg, which is an extra boost of energy toward getting 15<sup>th</sup>/N and Courtyard Site ready for development. Staff is hoping to tee up both projects to receive tax credits that are included in the Governor's budget in the first round of funding for next year. There is \$500 million in budget and believes it will be competitive.
- Regarding the R Street garage, there will be additional money put into the project this year to make this project happen. There will be 800 spaces with 12,000 square feet of retail and buy in from the community and support of DGS.
- Downtown Sacramento Partnership: No update.
- Downtown Sacramento Revitalization Corporation: No update.
- Midtown Association: The Midtown Association Board is assisting with the lease of the building in Winn Park.

Member Lagomarsino recused himself at 10:18 a.m. from participating in Agenda Item 5.

**ITEM 5 – FREMONT MEWS – APPROVAL OF SECOND AMENDED NOTE WITH FREMONT MEWS, LLC. (BLOCK BOUNDED BY 14<sup>TH</sup>, 15<sup>TH</sup>, P AND Q STREETS)** **Continued from the May 17, 2019 Board meeting**

*Staff Recommendation:* Staff recommends that the Board adopt a resolution authorizing the Executive Director to execute the Second Amended Promissory Note that extends the maturity date of the \$500,000 CADA Fremont Mews project loan to June 30, 2024 and requires the 15<sup>th</sup> and Q Limited Partnership to begin making principal and interest payments starting in September 2019 with an interest rate of 5%.

Staff Contact: Tom Kigar, Special Projects Director

Board Comments: Chair Bailey reported that Operations committee supports the recommendation. Member Avdis asked why the NOI is less than the developer expected. Tom Kigar reported that there were unexpected renovations.

Public Comments: None.

Member Winston moved approval of Resolution 19-16, attached hereto and incorporated herein. Member Avdis seconded the motion.

AYES: Avdis, Winston, Bailey  
NOES: None

Member Lagomarsino came back to the meeting at 10:26 a.m.

**ITEM 6 — RATIFICATION OF DECLARATION OF EMERGENCY CONDITIONS AND SUSPENSION OF COMPETITIVE BIDDING FOR RESTORATION OF FIRE DAMAGE UNITS AT SOMERSET PARKSIDE (1001-35 Q STREET)**

*Staff Recommendation:* Adopt resolution ratifying the declaration of emergency conditions and the suspension of competitive bidding for restoration of fire damaged units at Somerset Parkside (1001-35 Q Street).

Staff Contact: Frank Czajka, Construction Manager

Board Comments: Chair Bailey reported that Operations committee supported the recommendation. Member

Public Comments: None.

Member Avdis moved approval of Resolution 19-17, attached hereto and incorporated herein. Member Winston seconded the motion.

AYES: Avdis, Lagomarsino, Winston, Bailey  
NOES: None

**ITEM 7 — ROOF REPLACEMENT PROJECT (VARIOUS LOCATIONS)**

*Staff Recommendation:* Staff recommends the Board adopt a resolution authorizing the Executive Director to enter into a construction contract for the Roof Replacement Project at 1325 15th St, 1606 15th, & 1420 O St with King's Roofing in the amount of \$409,009.

Staff Contact: Frank Czajka, Construction Manager

Board Comments: Chair Bailey reported that Operations committee supported the recommendation.

Public Comments: None.

Member Avdis moved approval of Resolution 19-18, attached hereto and incorporated herein. Member Winston seconded the motion.

AYES: Avdis, Lagomarsino, Winston, Bailey  
NOES: None

**ITEM 8 – FY 2019-2020 GENERAL OPERATIONS BUDGET AND CAPITAL INVESTMENT PROGRAM BUDGET**

*Staff Recommendation:* Staff recommends that the Board adopt resolutions:

- ◇ Approving the FY 19-20 General Operations Budget of \$14,248,934 and the FY 19-20 Capital Investment Program (CIP) Budget, consisting of the Major Construction Projects Budget of \$1,889,220 and a Development Projects Budget of \$550,000
- ◇ Approving an increase of \$10,000 in the FY 04-05 CIP Development Project Budget
- ◇ Approving an increase of \$135,000 in the FY 06-07 CIP Development Project Budget
- ◇ Approving an increase of \$172,550 in the FY 07-08 CIP Development Project Budget
- ◇ Approving an increase of \$75,000 in the FY 08-09 CIP Development Project Budget
- ◇ Approving an increase of \$400,000 in the FY 14-15 CIP Development Project Budget
- ◇ Approving an increase of \$320,000 in the FY 18-19 CIP Development Project Budget
- ◇ Approving an adjustment of \$263,970.73 to close out the FY 16-17 CIP Major Construction Budget
- ◇ Approving an adjustment of \$165,203 to close out the FY 18-19 CIP Special Management Major Construction Budget

Staff Contact: Noelle Mussen, Finance Director

Board Comments: Chair Bailey reported that Operations committee supported the recommendation. Member Lagomarsino salaries 9% increase split between the increase in staffing and updated salary schedule? Noelle 3% increase depending on merit. New R Street item references to two different blocks. Todd 2 requests for assistance for the streetscape Market 515 and 10<sup>th</sup> street and written request streetscape at 11<sup>th</sup> and R and that proposal may reconfigure the streetscape in a different way.

Public Comments: None.

Member Avdis moved approval of Resolutions 19-19, 19-20, 19-21, 19-22, 19-23, 19-24, 19-25, and 19-26, attached hereto and incorporated herein. Member Lagomarsino seconded the motion.

AYES: Avdis, Lagomarsino, Winston, Bailey  
NOES: None

**CONSENT CALENDAR – ITEM 9 THROUGH ITEM 13**

**ITEM 9 – FISCAL YEAR 2019-2020 SALARY RANGE LIMIT SCHEDULE**

**ITEM 10 – WORKERS’ COMPENSATION INSURANCE POLICY**

**ITEM 11 – FISCAL YEAR 2019-2020 GENERAL COUNSEL AGREEMENT**

**ITEM 12 – FISCAL YEAR 2019-2020 NETWORK ADMINISTRATION CONTRACT**

**ITEM 13 – FISCAL YEAR 2019-2020 SECURITY PATROL SERVICE CONTRACT**

Chair Bailey asked if there were any Board Members who desired Agenda Items 9 through 13 be taken off the Consent Calendar. None wished to do so.

Member Lagomarsino moved approval of Resolutions 19-27, 19-28, 19-29, 19-30, and 19-31, attached hereto and incorporated herein. Member Winston seconded the motion.

AYES: Avdis, Lagomarsino, Winston, Bailey  
NOES: None

**ITEM 14 – FISCAL YEAR 2019-2020 MAINTENANCE SERVICES CONTRACTS**

*Staff Recommendation:* Staff recommends that the Board, by separate resolutions, award FY 2019-2020 Maintenance Service contracts to the following contractors:

Landscape and Lawn Care  
**Elite Service Experts**

Not-to-exceed \$114,000

Floor Coverings – Repair/Replacement  
**California Renovations**

Not-to-exceed \$186,000

Vacant Apartment Cleaning/Emergency Water Extraction  
**2Go Building Maintenance**

Not-to-exceed \$90,000

Staff Contact: Rachel Mercurio, Office Manager/Board Secretary

Board Comments: Chair Bailey reported that Operations committee supported the recommendation.

Public Comments: None.

Member Winston moved approval of Resolutions 19-32, 19-33, and 19-34 attached hereto and incorporated herein. Member Winston seconded the motion.

AYES: Avdis, Lagomarsino, Winston, Bailey

NOES: None

### **ITEM 15 — CLOSED SESSION**

#### **A. CONFERENCE WITH LABOR NEGOTIATOR (Pursuant to Government Code Section 54957.6 (a))**

Unrepresented Employee: Executive Director

Agency Designated Representative: Ann Bailey

#### **B. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Pursuant to Government Code 54956.9(a))**

a. Mader v. CADA: Case No. 34-2018-00244133

b. Law DFEA Complaint: Case No. 201812-04517514

Member Avdis left the meeting during Closed Session.

### **ITEM 16 — EXECUTIVE DIRECTOR COMPENSATION**

Chair Bailey reported that the Executive Director will receive a 5% salary increase plus two weeks of management leave.

Member Winston moved approval. Member Lagomarsino seconded the motion.

AYES: Lagomarsino, Winston, Bailey

NOES: None

Chair Bailey reported that the Board met in closed session with legal counsel pursuant to Government Code Section 54956.9(a). In closed session, the Board approved a settlement agreement in the matter of Mader v. CADA (Case No. 34-2018-00244133) by the following vote:

AYES: Bailey, Winston, Avdis

NOES: None

ABSENT: Lagomarsino, Maviglio

Member Winston left the meeting at 12:24 p.m.

Chair Bailey moved to Agenda Item 20.

### **ITEM 20 – ADJOURNMENT**

The meeting adjourned at 12:24 p.m. because there is no longer a quorum.

Chair Bailey moved to Agenda Item 17.

### **ITEM 17 – ORAL STAFF REPORTS/UPDATES**

- A. Downtown Sacramento Partnership: This item was reported on in its Agenda Item 4.
- B. Downtown Sacramento Revitalization Corporation: This item was reported on in Agenda Item 4.
- C. Midtown Association: This item was reported on in Agenda Item 4.
- D. Mercury Cleaners (Northeast Corner of 16th and O Streets): Wendy Saunders reported that DGS has submitted its first semi-annual report for 2019 in March. It will submit the next report later this summer.
- E. Roosevelt Park Streetlights (1619 9<sup>th</sup> Street): Wendy Saunders reported that there was a community meeting on May 28 to discuss the planned softball field improvements. The public suggested incorporating bike racks and an additional drinking fountain into the design, and improvements at the corner of 9th & P Streets. The City will go out to bid this summer and hopes to finish construction by the end of the year.
- F. O Street Streetscape (7<sup>th</sup> – 17<sup>th</sup> Streets): Wendy Saunders reported that the online survey was completed in May, and the results are being incorporated into the Design Framework. MIG is now preparing a draft of the Conceptual Plan. Steering Committee meeting #5 will take place on July 5, and the draft Conceptual Plan will be presented to the Board in August or September. There have been productive discussions with DGS, including the repainting of their parking garage on O and 10<sup>th</sup> Streets, which will include a gallery of murals. Staff and DGS have also talked about replacing all DGS steam vents from 7th to 12<sup>th</sup> Streets, as well as physical improvements to the streetscape surrounding the Allenby Building (1200 block O Street), which is currently under construction and programming the public spaces.
- G. Other Neighborhood Improvements: Wendy Saunders reported that Jose DiGregorio's mural on 14<sup>th</sup> and O has had positive feedback from the community.
- H. HCD LPR Application for Biele Place (1421 15<sup>th</sup> Street): Wendy Saunders reported that staff is working on the refinance package.
  - Leasing Department News: Wendy Saunders reported that Leasing Manager Tama Harville is working to put into place a more modern system to recertify incomes and rents for participants in CADA and third party-regulated affordable housing programs. She is taking advantage of the powerful functionality inherent in CADA's existing Boston Post property management software. She is getting to know the CADA staff and is settling in well.
- I. Vantage (Site 21 - 14<sup>th</sup> and N Streets): Tom Kigar reported that Swinerton has started work. Staff will be vacating the parking lot by Toasted to set up the trailer. The site is still on track to close September 15.
- J. CADA Courtyard Site (1322 O Street): Tom Kigar reported that proposals for professional services are due by July 8 so work can be done in time for the tax credit application in February.
- K. R Street PBID: Todd Leon reported that the PBID is working with the City regarding the ongoing issues with the Dollar Tree store. The property owner has been fined by the City for violating the terms of their lease.
- L. R Street Affordable Housing (1717 S Street): Todd Leon reported that staff submitted the second cycle of review for building plans yesterday and is expecting to hear back by the end of July.
- M. R Street Parking Structure (8<sup>th</sup>/9<sup>th</sup> Streets): This item was reported on in Agenda Item 4.

### **ITEM 18 – TRANSMITTALS**

Received as transmitted.

### **ITEM 19 – OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD REGARDING MATTERS NOT ON THE AGENDA**

None.

A handwritten signature in blue ink, appearing to read 'R. Mercurio', written in a cursive style.

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Rachel Mercurio  
Secretary to the Board of Directors