



**SMART REAL ESTATE AND PROJECT DEVELOPMENT COMMITTEE AGENDA**

March 5, 2008  
10:00 a.m. to Noon  
San Rafael City Council Chambers  
1400 Fifth Avenue  
San Rafael, CA

- I. Call to Order**
- II. Approval of February 6, 2008 Minutes\*\***
- III. Comments from the Public on Non-Agenda Items**
- IV. Update on On-Going Real Estate Issues - Lucrecia Milla**
- V. Petaluma Depot Vegetation Proposal\*- Lucrecia Milla**
- VI. Railroad Square Update\*- John Nemeth**
- VII. Closed Session**
  - a. Closed Session: Conference with Real Property Negotiator (Govt. Code. Section 54956.8)  
  
Property: Northwestern Pacific Railroad (NWP) Right-of-Way at NWP Milepost 53.8 in Santa Rosa, Sonoma County.  
  
District Negotiator: Lillian Hames, General Manager  
  
Negotiating Parties: Railroad Square, LLC  
Owner: SMART District
- VIII. Report on Closed Session**
- IX. Next Meeting Date: April 2, 2008, 10:00 am, Santa Rosa City Council Chambers**
- X. Adjourn**

DISABLED ACCOMMODATION: if you have a disability that requires the agenda materials to be in an alternate format or that requires an interpreter or other person to assist you while attending this meeting, please contact SMART at least 72 hours prior to the meeting to ensure arrangements for accommodation.

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\* Information will be provided at the meeting, \*\* Information attached.



**MINUTES OF SMART REAL ESTATE & PROJECT  
DEVELOPMENT COMMITTEE MEETING**

**February 6, 2008**

**Santa Rosa City Council Chambers  
City Hall, 100 Santa Rosa Avenue  
Santa Rosa, CA**

***I Call to Order***

Director Kerns brought the meeting to order, as Chair Charles McGlashan was out of town. The following committee members were present: Mike Kerns, Al Boro and James Eddie. Peter Breen, SMART Board member, was also present as a non-voting participant.

***II Approval October 3, 2007 Minutes***

Director Eddie moved to approve the October 3, 2007 minutes and Director Boro seconded. The motion passed unanimously.

***III Comments from the Public on Non-Agenda Items***

Director Kerns asked for public comments. There were none.

***IV Update on On-Going Real Estate Issues***

Lucrecia Milla reported to the committee that SMART had moved into their new offices located at 750 Lindaro Street, Suite 200, San Rafael, CA 94901 and informed them of the new main number (415) 226-0880 and fax (415) 226-0881. Lillian Hames noted that emails remained the same.

***V Madera Bay Easement***

Ms. Milla informed the committee that a non-exclusive easement had been requested by Madera Bay LLC (Madera Bay) to provide an at grade crossing to their proposed development located near Wornum Drive in the Town of Corte Madera. This matter was brought to the SMART Board in 2005 and the easement was approved. However, the agreement was never executed by Madera Bay.

Recently, Madera Bay approached SMART and asked for the easement again. Due to the lapse in time, counsel recommended that it be brought back to the Board for approval. At the December 2007 SMART Board meeting, the Board gave direction to staff that the easement be brought back to the Real Estate Committee as there were letters submitted by the Marin Conservation League and the Marin Audubon Society opposing the easement.

Ms. Milla reminded the committee of important deal points within the easement agreement. First she indicated that Madera Bay would be given the option to purchase the easement for \$50,000 for a period of three years. An option to extend for another two years would require an

additional \$450,000 for a total of \$500,000. Madera Bay would also be required to provide SMART with a Noise Easement over the property. Last, counsel recommended that an indemnity clause be added to protect SMART against any potential lawsuits with regard to the development.

She concluded by indicating staff recommended that the Real Estate Committee approve the easement and have it be brought to the Board for final approval.

Director Kerns commented that although the easement was previously granted, the SMART Board didn't necessarily support the project.

Ms. Hames asked staff to have counsel review the first question raised in Marin Audubon Society's letter which indicated that granting this easement would trigger CEQA for SMART.

Motion was made by Director Boro and was seconded by Director Eddie to bring the easement to the Board for approval provided counsel added the indemnification language and research the question raised by the Marin Audubon Society. Motion carried unanimously.

#### ***VI Railroad Square Update***

John Nemeth gave the Committee a general overview of the status of the project. New Railroad Square LLC had been working to close the financial gap of the project by securing funds from the City of Santa Rosa and other grant sources.

The City recently conducted its own financial analysis of the project and concluded that it had a financial gap of approximately \$12-13 million. In addition to Santa Rosa's participation, additional resources include federal New Market Tax Credits, state Proposition 1C monies, MTC's TLC funds, as well as possible private contributions. The fact that the project includes affordable housing, green building and other amenities will help in securing public investments.

Mr. Nemeth further advised that \$125,000 had already been secured by the developer from the Cal Re-use program to complete Phase I and Phase II of the environmental analysis.

He went on to inform the Committee that Michael Deiden, New Railroad Square, LLC, recently lost one of his key equity partners, Lambert Development. Mr. Deiden approached John Stewart from Santa Rosa Cannery LLC to re-capitalize the project. Mr. Stewart may be interested in forming a partnership with Mr. Deiden contingent upon several conditions outlined in a letter. Mr. Nemeth notes that the Committee would be discussing these conditions in detail in closed session.

#### ***VI Closed Session***

Director Kerns stated that the Committee would go to closed session on two items.

#### ***VIII Report on Closed Session***

No action was taken on Item a. Item b. was not discussed in closed session.