



**CITY OF SAN DIMAS  
MINUTES  
SAN DIMAS REDEVELOPMENT AGENCY MEETING  
TUESDAY, August 9, 2005  
COUNCIL CHAMBERS  
245 E. BONITA AVENUE**

---

**PRESENT:**

Chairman Morris  
Mr. Bertone  
Mr. Ebner  
Mr. McHenry  
Mr. Templeman

Executive Director Michaelis  
Agency Attorney Brown  
Secretary Rios

**CALL TO ORDER**

Chairman Morris called the meeting to order at 7:34 p.m.

**ORAL COMMUNICATIONS**

None

**APPROVAL OF MINUTES**

It was moved by Mr. McHenry, seconded by Mr. Ebner, to approve the minutes of the July 26, 2005 meeting. The motion carried unanimously.

**EXECUTIVE DIRECTOR**

- 1) Review and give direction regarding development options for vacant Agency-owned property at the Southeast corner of Bonita Avenue and Eucla regarding potential development proposals from Chaparral Lanes, and Citrus Valley Realtors.

Executive Director Michaelis stated that the City's Redevelopment Agency owns a few parcels of property that collectively are approximately two acres on the corner of Eucla and Bonita Avenue. He reported that he received proposals from Chaparral Lanes and Citrus Valley Association of Realtors expressing an interest in the purchase of the Agency's property at the corner of Eucla and Bonita. He said representatives from each company will present their proposals.

Chairman Morris stated that Chaparral Lanes and Citrus Valley Association of Realtors are also on schedule for a closed session to discuss offers, terms, and conditions.

In response to Mr. McHenry, Director Michaelis said the property is just less than two acres.

In response to Mr. Ebner, Director Michaelis stated that staff has not contacted the corner parcel owner to see if they might be interested in a larger project, nor have they contacted the City with respect to expanding their operation.

Chairman Morris asked the representative from Chaparral Lanes to present his proposal.

**Mike Patel**, CEO, Chaparral Lanes, said he would like to expand by 11,900 square feet their existing building to offer laser tag recreation, an upstairs meeting and banquet facility, and two full service restaurants for lease.

In response to Council, Mr. Patel stated he has an existing restaurant use in the Bowling Alley, and he proposes to build two full service restaurant structures for lease, one for 5,300 square feet and the other for 4,700 square feet. He stated he is not considering drive-through fast food service. He discussed the size of the existing building and the size of the proposed addition.

Mr. Templeman stated that from his background in Public Safety, laser tag operations requires law enforcement review, and he is concerned about fire safety since the interior is pitch black with obstacles and war-like games. He asked if Mr. Patel had operated a laser tag facility before. Mr. Patel stated he does not have any experience in the operation of a laser tag use; however, he has observed the operation at a facility in Thousand Oaks.

In response to Mr. Templeman, Planner Hensley stated that the code allows indoor recreation facilities and laser tag falls under that category.

In response to Mr. Bertone, Mr. Patel replied that he and his wife own Chaparral Lanes. He added that the proposed extension includes a banquet facility for parties for young children.

Mr. Patel replied to Council that the existing facility no longer operates the lounge bar, but has a snack bar that serves finger food such as hot dogs, sandwiches, and fries.

Chairman Morris stated that over a period of several years, the City contracted with developers to search for potential users on Bonita Avenue. He said they were not successful in securing restaurant uses and asked Mr. Patel if he had spoken with restaurant users with the idea of filling the pad with an actual restaurant use.

Mr. Patel stated he has not contacted anyone, but Ruby Tuesday chain has expressed an interest. He would like to expand his facility and build to suit a restaurant use.

Mr. Ebner expressed concern that if Mr. Patel could not guarantee restaurant uses on the Bonita frontage, the site would remain vacant. Mr. Patel stated he would use the property for parking in the interim and also suggested leasing the property to Art Reyes for Casa del Rey parking overflow.

Mr. Templeman stated he would not vote in favor of this concept unless Mr. Patel has an agreement with a city approved restaurant. He is not fond of laser tag, but would remain open-minded.

**Jimmy Juneja**, Engineer, said he was hired by Mr. Patel to prepare the preliminary site plan. He added that combining the two lots would enhance the parking lot and the city look of this area. He said access could come from Eucla or Bonita and he would work with staff to get the additional required parking.

**Roger C. Wade**, President, Citrus Valley Association of Realtors, thanked the City Council for the opportunity to participate in the acquisition process. He provided a handout outlining their intended actions and the organization's financial standing, and said they must move from or expand their current office space at 655 West Arrow Highway. CVAR would like to remain in San Dimas and are looking to build a two-story, 16,000 square foot office building for administrative office use and potential rental space, as well as an auditorium consisting of a full kitchen and meeting space. He indicated he is willing to negotiate a fair market value purchase price after an independent commercial appraisal is conducted to establish the value of the parcels.

In response to Chairman Morris, Mr. Wade stated that 16,000 square feet will be utilized for the activities of the Association; however, when not in use, the rooms could be leased for use. He stated that the classroom will be serviced by a caterer's kitchen and could be used for class attendance, business meetings, social events, and conferences. He said there would be available 1600 square feet of dividable rental suite space on the ground floor.

In response to Mr. Templeman, Mr. Wade said he would consider only professional members or whatever retail activity the City Council would prefer.

Planner Hensley replied that 1600 square feet is usable retail space required on the first floor, and said there is a process to allow office use on the first floor.

Mr. Ebner stated that he preferred retail use on the ground floor. He praised the green aspects of the building and the pervious asphalt.

In response to Mr. Ebner, Mr. Wade stated there is an easement across Chaparral Lanes Bowling Alley and he would permit bowling alley traffic to drive across the property. He added that he had attempted to work out an agreement with Chaparral Lanes for shared parking, but that did not work out. He is not opposed to shared parking.

Mr. Wade inquired if he would be permitted to attend the closed session. Chairman Morris said only Council and staff could participate in the closed session. Mr. McHenry stated that at the conclusion of the closed session, the City Council would announce the action taken.

Mr. Bertone said there were two good proposals before Council for consideration; since there is an existing bowling alley, he would select Chaparral Lanes. However, he felt the site should be landscaped until a restaurant could be acquired.

Mr. Ebner stated that the corner of Eucla and Bonita should be a statement entrance to the downtown and he opposed a parking lot fronting Bonita Avenue. He suggested approaching the corner property owner to acquire the property in the future. He inquired if there would be sufficient parking to permit CVAR to construct a building and allow Chaparral Lanes to expand if they shared parking and restaurants were not considered.

Mr. Templeman thought Bonita Avenue is an enterprise corridor and he would prefer to wait or to acquire the corner lot for a better project. Although he respected both projects, they did not meet his expectations of what should go at that location.

Mr. McHenry listed the advantages and disadvantages of each project and stated he has a problem subsidizing the land and if he had to decide, he would choose Citrus Valley Association of Realtors subject to the enhancement of the downtown corridor theme and finding a way to secure retail uses.

Chairman Morris also felt that fair market value should be paid for the parcels. He said there is no synergy with other retail on this site, but in keeping with modern livable communities, perhaps an administrative office could work. He did not have a preference with either project; nevertheless, he could see the two projects working well with the acquisition of the corner property. However, he expressed concern with the financial impact to the City/Redevelopment Agency.

In response to Mr. Templeman, Planner Hensley said the prior owner of the corner lot was approved for office use. He said on a case by case basis the City Council or the DPRB could make the determination to allow office use in the Creative Growth Zone where the requirement is for retail on the first floor.

Mr. McHenry stated that recently the City Council ratified the existing policy and he would not approve a non-retail use on the ground floor unless the existing building did not lend itself to retail. Chairman Morris stated that properties west of Cataract do not have the same restrictions, and may not be viable for retail.

Mr. McHenry moved to continue to work with the two applicants while negotiating with the corner property owner. He said the trial with Chaparral Lanes is paying fair market value and identifying a restaurant; while the challenge with CVAR is meeting the requirement for retail use on the ground floor. He suggested that at the conclusion of sixty days, staff bring back a report and recommendation.

The motion was seconded by Mr. Templeman and carried unanimously.

- 2) Request from Ride and Show to terminate the Agency's Disposition and Development Agreement entered into April 1987.

Executive Director Michaelis reported that Ride and Show Engineering, Inc. is downsizing and wishes to sell their building. In 1987, they entered into a Disposition and Development Agreement with the City of San Dimas for the purchase of the land and development of the building. They consider the covenants and obligations to hinder their attempts to sell the building and are requesting that the agreement be terminated. Staff suggested that the Agency recover all financial assistance provided and maintain future tax increment revenue from the property; that the DDA not be rescinded, but amended to address areas of concern; and that staff conduct an extensive review of the Agency's participation in the project to ensure that all areas of City and Agency concern are identified and addressed in the revision of the DDA.

Chairman Morris inquired if property rights are relinquished without consideration, is the Agency making a gift of public property.

Agency Attorney Brown stated that if made whole, the property still remains in the redevelopment project area and still has the benefit of tax increment subject to restrictions of the Redevelopment Plan and zoning of the City.

Director Michaelis stated that if the property is sold to another use that is exempt from payment of property taxes, the Redevelopment Agency would not receive revenue associated with the sale of the property if a DDA is not in place.

Attorney Brown remarked that in order to rescind the DDA from impediment, another document has to be recorded and provide a condition requiring the new property owner to pay property taxes.

In response to Mr. Templeman, Director Michaelis said the property was owned for a period of time and over that timeframe, the value increased, and the property was sold to Ride and Show Engineering for \$700,000.

Chairman Morris asked Mr. Feuer to present his proposal.

**Eduard Feuer**, Chairman of the Board, Ride and Show Engineering, Inc. and owner of 279 E. Arrow Hwy. building. He introduced his son, Roland Feuer, President of the Company. He provided a brief history of Ride and Show Engineering, Inc. from 1985 to the present, and said since coming to San Dimas and constructing a unique building that combines engineering and workshop, it has been difficult to lease or sell the building. He indicated it is very difficult to find a company with a specific need for both places and according to the DDA, the new owners would be required to move their headquarters into the building. While in escrow, he discovered those requirements in the agreement, which he felt are now obsolete. Since he has no financial obligations, he expressed concern that future tax increment revenue should not be diminished and inquired if he is able to sell the building to a nonprofit organization.

Director Michaelis explained that the purpose of the Agency is to accomplish economic development and in order to have a return on its investment to encourage economic development or stimulation of business within the project area, obligates itself to financial debt, which in turn, may require a revenue stream in order to be able to maintain those objectives. He said the Ride and Show Engineering property is part of a larger development plan to accomplish redevelopment now and in the future.

Mr. McHenry stated that tax revenue is used to repay bonds and repayment should continue with the successor, but there is no prohibition to sell to a nonprofit organization. He said the Agency may have an interest in seeing that income stream continue to help repay indebtedness.

Chairman Morris explained that the indebtedness is the Redevelopment Agency's debt and the only way the Agency raises money to pay off the debt is by tax increment revenue. He said Ride and Show pays property tax and is part of the revenue stream pledged to pay the obligation.

**Roland Feuer**, President, said the agreement does not state that he needs the City's or Redevelopment Agency's approval to sell the building. In response to Chairman Morris, Mr. Feuer said the deed restriction was in effect during the time the contract was signed up to the time the Certificate of Completion was recorded.

Chairman Morris directed Attorney Brown and Director Michaelis to review the Agreement.

Mr. Bertone inquired is it a problem executing an agreement requiring the tax increment, making sure the Agency is left whole.

Mr. McHenry was supportive of the sale, however, he said parking is an ongoing problem for Christ Church of the Valley, while other issues could be overcome.

Mr. Templeman supported Mr. McHenry's comments and said without more information on parking, he would have trouble reaching a conclusion.

Roland Feuer stated he could not afford to keep paying \$20,000 each month on this building and said other than for the use of the property, the agreement is not needed. He stated that escrow could close as soon as possible if he is allowed to sell the property to CCV.

Chairman Morris stated that nonprofit use is not consistent with redevelopment use and if the property is sold to CCV, they would have to make up the revenue from property taxes to pay the redevelopment bonds. He expressed concern with maintenance and said the DDA is a tool that allows the City to enforce maintenance.

Staff was directed to continue discussions and bring back a report for Board member's consideration.

#### **MEMBERS OF THE AGENCY**

None

#### **ADJOURNMENT**

The meeting adjourned at 9:07 p.m.

ATTEST:

\_\_\_\_\_  
Chairman of the San Dimas Redevelopment Agency

\_\_\_\_\_  
Secretary