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# Riverside County Habitat Conservation Agency

*City of Corona* ◇ *City of Hemet* ◇ *City of Lake Elsinore* ◇ *City of Moreno Valley*  
*City of Murrieta* ◇ *City of Perris* ◇ *City of Riverside* ◇ *City of Temecula* ◇ *County of Riverside*

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## **SPECIAL MEETING MINUTES**

**Wednesday, May 9, 2007 - 8:30 a.m.**

**Riverside County Administrative Center  
4080 Lemon Street  
Board Hearing Room – 1<sup>st</sup> Floor  
Riverside, CA 92501**

**PRESENT:** Ms. Robin Lowe, Chairperson – City of Hemet  
Mr. Bill Batey, City of Moreno Valley  
Mr. Dom Betro, City of Riverside  
Mr. Steve Brown, City of Temecula  
Supervisor Bob Buster, County of Riverside  
Mr. Bob Schiffner, City of Lake Elsinore  
Mr. Mark Yarbrough, Vice-Chair – City of Perris

**ABSENT:** Mr. Eugene Montanez, City of Corona  
Mr. Gary Thomasian, City of Murrieta

**STAFF:** Carolyn Syms Luna, RCHCA  
Karin Watts-Bazan, County Counsel

### **1. CALL TO ORDER**

Robin Lowe called the meeting to order at 8:31 a.m.

### **2. ROLL CALL**

Roll call of the RCHCA Board of Directors showed seven member agencies present with the Cities of Corona and Murrieta absent.

### **3. PUBLIC COMMENT**

No comments were offered.

#### **4. ACTION ITEMS**

##### **4.1 Consideration of the Responses to the Grand Jury Report**

Chairperson Lowe stated that all members of the Board are in receipt of a copy of the Grand Jury's report concerning the sale of surplus land to Dr. Daniel Straub. Chairperson Lowe stated that she takes this report very seriously and has spoken with Larry Parrish, County Executive Officer, regarding the Grand Jury's findings and recommendations. She reported that RCHCA staff has done an excellent job of developing a response to the Report.

Carolyn Syms Luna asked the Board to accept the response to the Grand Jury's report as a "receive and file item" and direct staff to forward it to the Board of Supervisors. The Board of Supervisors will then file the report with Superior Court. The term of office for the Grand Jury that initiated this investigation is due to expire on June 30, 2007. Therefore, our response to the Grand Jury's report will be submitted to the incoming FY 2007/2008 Grand Jury for their review and consideration.

Ms. Luna stated that she is not familiar with the process regarding follow-up actions that are necessary, if any, regarding the Grand Jury's report and the RCHCA's response to the report. At that time Ms. Luna deferred to Supervisor Buster for his guidance regarding any follow-up action that may be necessary.

Supervisor Buster stated that if it is a County report on a County function, then follow-up action is taken and there are future follow-up reports to that. He stated that there are many significant reports coming through on various County functions. He recalls that before he took office, there were some significant Grand Jury reports that dealt with even the CEO's function at the time. They received a lot of news coverage and were very important. The Grand Jury often offers a very constructive role in reviewing departments or functions of the County that don't otherwise receive periodic audits.

Supervisor Buster stated he respects what the Grand Jury is attempting to do and he feels we all benefit from it, including the public. He also stated that there have been many Grand Jury reports that the County disagrees with, the basic facts surrounding them, and the context of them. He stated that's what this type of response is intended to provide; a fuller description, based not only on what the department's staff response is, but also, in this case, elected officials.

At this point Supervisor Buster asked if the RCHCA Board wanted to take comments regarding the Grand Jury's report along with the RCHCA's response to the report.

Supervisor Buster stated he feels the report deserves a fuller response than what is contained in the RCHCA's current response. He stated that if he were a member of the public and was reading the response, he would have additional follow-up questions. He stated that if you read the response, it remains unexplained as to what happened here.

Supervisor Buster stated that he does not specifically recall all discussions in closed session. He stated his mind is very hazy on the point. He stated he does recall that

we rely heavily on our staff for recommendations of this kind. He stated that possibly some discussion will help us here, but he doesn't recall any long discussion regarding this; that it was a staff recommendation. He stated that some kind of discussion here as to some fuller expansion on just what were the average sale prices of land in that area would be helpful. Finding #1 and our response to it just outlines that the buyer had an appraiser who had all of his certificates and a lot of experience; but Supervisor Buster stated he feels that more supporting detail to actual prices being paid and why this particular parcel was appraised at the amount it was appraised at is needed. Was this a justifiable price? He stated it would be helpful to know this. He also stated he doesn't recall what the average sale price was for land that this agency was acquiring in that particular area at the time, but if there's any more supportive data there, if it was all within line in the general area or some idea that it was accurate would be helpful. He stated that we frequently get wide variations in land prices in the same area for all kinds of reasons (i.e., access, land development potential).

Supervisor Buster stated that there is no discussion of how this sale commenced. He asked if the buyer approached this agency or did this agency provide any notice? He stated that would be helpful to know.

Supervisor Buster asked if this is the only time that the RCHCA has sold surplus land and do we expect it to occur again. He stated he feels this should be outlined.

Chairperson Lowe stated that for a bit of background, because she had recused herself from this process, she is not bound by law to recuse herself any longer. She stated she was concerned with the process, as Supervisor Buster regarding how this transaction came about, and so forth. She stated she spoke with Joe Rank, County Counsel, and he felt it was rather amusing that we have only had one property sale in the past 14 years and this is the one that became an issue.

Chairperson Lowe stated to Karin Watts-Bazan that she has not been able to determine how the RCHCA, whether it was from a phone call from an individual, or if there was a referral by another person or staff member, was approached regarding this transaction.

Karin Watts-Bazan stated that the RCHCA initially received a phone call from Dr. Straub requesting a meeting with RCHCA staff to discuss his interest in purchasing the property.

Supervisor Buster stated the information Ms. Watts-Bazan just relayed would be helpful to have in the response to the Grand Jury report. He stated that someone could draw an impression here that there was some kind of behind the scenes influence that lead to this sale. Supervisor Buster stated that he feels that including exact circumstances in the response would be beneficial (i.e., who was approached [staff] and how this came about).

Supervisor Buster asked if this type of situation has happened since this particular sale and do we expect it to happen again?

Ms. Watts-Bazan stated that based on her tenure with this agency, this has been the

only time we have sold property. She stated that it is her understanding that this type of transaction had never occurred prior to Ms. Luna and Ms. Watts-Bazan working for this agency. Ms. Watts-Bazan stated that if the Board would look at the response to Recommendation #1, we are going to be implementing some policies and bringing them before this Board within the next six months.

Supervisor Buster stated that that is very helpful. He stated that even though this has been the only occurrence, there should be policies and procedures in place in case an instance, such as this, comes up again.

Supervisor Buster stated that the ending paragraph to the RCHCA's response to Recommendation #6, states "This was the first sale of surplus land since creation of the RCHCA....." He stated that in addition to that statement, if it happened since, it should be so stated that, and if we don't expect it to happen again, that should also be stated. Supervisor Buster stated it should be pointed out that this is an extremely anomalous situation for this agency.

Supervisor Buster stated that the manner in which we would handle any future sale of surplus land needs to be clarified.

Supervisor Buster read Recommendation #4, which states "RCHCA through EDA notify adjacent property owners to allow them the right to purchase the property or engage in competitive bidding to generate increased revenue for the Agency". He stated our response was "The recommendation will not be implemented. The cost in delays associated with such notification is not warranted at this time." Supervisor Buster stated he feels we need to support that statement. He also stated that this agency needs to understand what that means. Is there good reason not to advertise any surplus land, as occurred in this case?

Chairperson Lowe asked Supervisor Buster to whom he felt it should be advertised to, given the scope of our agency. Should it be advertised to only the local people surrounding that particular property? If we do advertise, Chairperson Lowe asked how far reaching should we go.

Supervisor Buster stated that apparently we can advertise in local newspapers with general circulation (i.e., planning cases that have notifications sent to residents within a certain number of feet). Supervisor Buster stated that the RCHCA's statement "the cost in delays associated with such notification....." is not supported. He stated that it needs to be supported.

Ms. Luna stated that she thinks, at this point in time, we were uncertain, based on the meeting dates of this Board. Sometimes, if a transaction comes in, a special meeting would need to be called. She stated that that discussion would most likely need to be held when we bring the policy back before the Board for approval. Ms. Luna stated that at that time, Supervisor Buster could raise these issues. However, at this time, we don't feel that that is necessary in light of the meeting agendas that we have here and how infrequently we meet. She stated that when we bring the policy back, if that's the Board's desire, we will be more than happy to address it. She stated that we aren't necessarily dismissing it in our responses here. At this point, we would like to vet a

future policy with this Board.

Supervisor Buster asked if a more appropriate response would be that the Board will be evaluating alternate measures for the disposal and sale of excess land at our next meeting or within the next six months and come back with recommendations based on the needs of this agency and the circumstances, and for the public benefit. He stated that he thinks we need to go back to the original sale and explain why it was handled in the manner in which it was (i.e., to sell to this adjacent property owner who made an inquiry). Supervisor Buster stated that's not fully explained, along with the actual evaluation of the price that was paid, and whether it was in line with other sales in the area, and whether that was looked at when we received the appraiser's report. He stated he thinks this is all information that any person of the public reading these reports and responses to would want to know, and it's not answered here.

Mr. Batey stated that we have the Grand Jury report and he doesn't know if going back and looking at everything is going to change anything. He stated that yes, there was a hiccup in the system and the Grand Jury conducted an investigation. He stated that what he feels we need to do is receive and file the report, make the necessary changes and, at a future meeting, address the policies after we give staff an opportunity to revise them. He feels that what we are discussing here is more a policy issue within this agency itself and can be addressed at a future date, rather than nitpicking this report and trying to decide how we are going to respond to it. The fact is we had this hiccup. How do we prevent it from happening in the future? He stated that as long as we have good sound policies in place as we move forward to ensure that the appraisals are at market level, that's a positive thing.

Mr. Batey stated that receiving and filing the response with necessary changes should be sufficient, along with addressing the policy issues at a future meeting.

Mr. Schiffner asked if we know specifically where the complaint originated from.

Chairperson Lowe stated that we are not allowed to have that information. She stated that it was insinuated that the complaint came from a neighbor.

Chairperson Lowe stated that she believes there is merit in everything that everyone said today. It shows that we have to have policies of this nature in place because there may be a time when we sell property again.

Chairperson Lowe stated that she has suggested to Ms. Luna that she acquire a copy of the RCA's policies regarding the purchase of property, along with the selling of surplus land, to model the RCHCA's policies after.

Chairperson Lowe stated that when she spoke to the Grand Jury, she asked them if there was anything that precluded us from modeling our policies after the RCA's and their response was "absolutely not". Therefore, Ms. Luna will be working with Ms. Watts-Bazan regarding the development of these policies for the RCHCA.

Mr. Betro stated that he was going to suggest that we use the RCA's policy regarding the purchase and sale of property as a base for the RCHCA's policies. He stated that

it is clear that the entire Board is in agreement regarding the need for policies concerning the purchase and/or sale of property.

Mr. Betro stated he does not recall this particular incident and does not know if he was present at the meeting in which this transaction was discussed/approved.

Mr. Yarbrough stated he agrees that this transaction is an example of inconsistencies that arise. He agrees that we should "receive and file" the response, take the steps that we need to, and move forward.

Chairperson Lowe asked Supervisor Buster if he had any further comments.

Supervisor Buster asked if the changes that staff makes to the response to the Grand Jury's report will come back before the Board of Supervisors or to the RCHCA Board.

Ms. Luna stated that because of the timeframe, this Board would need to call a special meeting in order to review staff changes to the report. She stated that, if they choose to, they can authorize her to make the recommended amendments to the response that would incorporate Supervisor Buster's concerns and then forward it to the Board of Supervisors. She stated that if this Board is comfortable with her making the changes, then she can schedule it before the Board of Supervisors more quickly than if it needs to come before this Board first. If this Board prefers to review the changes first, it will be necessary to call a special meeting next week in order to do that.

Chairperson Lowe stated that she doesn't feel that it's necessary for this Board to review the changes Ms. Luna makes to the response and that she can forward it to the Board of Supervisors for their filing with the Superior Court.

**MOTION to direct the Executive Director to incorporate Supervisor Buster's recommended changes to the response and forward to the Board of Supervisors for filing with Superior Court: Bob Schiffner**

**SECOND: Bill Batey**

**Motion Approved**

**Ayes-7**

**None Opposed**

**5. ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 8:55 a.m. The next meeting will be held on June 21, 2007.