



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
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BOARD OF RETIREMENT MINUTES

SEPTEMBER 3, 2002

Members Present: Nick Blom, Kent Crawford, Maria DeAnda, Gary Dial, Wes Hall, Al Sarina, Virgil Thompson and Tom Watson

Members Absent: John Hallford

Others Present: Robert Harmon, Victoria Halliday, Karen Gonzales, John Hinchey of JBH Real Estate and Development, Niniv Tamimi of Westland Development, Adrienne Granger of Jones Lang and LaSalle, Nancy Reeves of Colliers International and Roger K. Rempfer, Partner of Valley Towers

1. Meeting called to order at 2:00 p.m. by Chair Wes Hall

2. **ANNOUNCEMENTS**

None

3. **PUBLIC COMMENT**

John Hinchey of JBH Real Estate passed out some information regarding the Valley Towers. This included return analysis, a copy of the lease for real property and a copy of the proposed building project. Nancy Reeves of Colliers International made a brief statement regarding Valley Towers and the availability of Class A office space in downtown Modesto. Nancy stated that she feels there will be a lot of interest in Valley Towers once construction has begun. Roger K. Rempfer, a partner with Valley Towers, also made note of an article from the Sacramento Bee regarding how real estate has helped CalPERS' portfolio in the volatile equity market.

Nick Blom arrived at 2:07 p.m.

4. **CONSENT ITEMS**

Motion was made by Virgil Thompson and seconded by Maria DeAnda to approve the following items as listed with correction noted.

Motion carried.

a. Approval of the August 27, 2002 Regular Session Minutes.

5. **Administrator**

- a. Discussion and Action on staff report of downtown vs non-downtown location for future StanCERA facilities.

Adrienne Grange of Jones Lang LaSalle gave a brief presentation of the space and occupancy costs of the three projects being considered by the Board.

Robert passed out a building project analysis of Valley Towers, the County-Westland Project and a new construction located in the non-downtown area. After review of the information, the staff conclusions were that Valley Towers had the most significant risk.

It was the consensus of the Board that the first decision that needed to be made was whether the new location should be in downtown or non-downtown.

Nick Blom motioned and Al Sarina seconded that StanCERA remain in the downtown area.

Virgil Thompson and Kent Crawford Opposed

Motion carried.

- b. Discussion and Action on staff and consultant reports and recommendations on specific location(s) selection of future StanCERA facilities.

After discussion regarding the consultant reports and recommendations on the two downtown locations a brief break was taken.

A break was taken at 3:17 p.m.
The meeting resumed at 3:21 p.m.

After the meeting resumed, Victoria Halliday, County Counsel informed the board that Nick Blom would not be voting on the location of the future StanCERA building due to a possible conflict of interest.

Virgil Thompson motioned and Tom Watson seconded to proceed with the County-Westland project at a cost not to exceed \$165 per square foot and that the floor plate of the building was not to exceed 18,000 square feet.

Kent Crawford raised concerns regarding the parking garage license agreement, permit fees, operation and maintenance fees. The consensus of the board was these costs would be included.

Motion carried.

- c. Discussion and Action to form an ad-hoc committee to evaluate building locations for future StanCERA facilities and approval for Chair to appoint such committee members.

There was no discussion on this item as it was removed from the agenda.

- d. Discussion and Action on Westland proposal for StanCERA to provide bridge or mini-perm financing of private portion of Westland/County Development Project slated for 12th and I streets in Modesto.

Robert passed out information on our Dodge & Cox fixed income yield from last quarter. He stated that in reviewing the Westland request, we should look at similar yields and not at our actuarial assumptions. Robert explained the request was due primarily to the non-traditional nature of the project.

Virgil Thompson questioned who would determine the credit worthiness of Westland.

Motion was made by Virgil Thompson and seconded by Al Sarina not to provide any financing to Westland Development.

Motion carried.

12. **ADJOURNMENT**

Meeting adjourned at 3:49 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel