

# Group pushes for agency culpability

**PINOLE: Municipal watchdogs say redevelopment staff must be held accountable in performance review**

*Contra Costa Times*

October 27, 2007

By Tom Lochner

**P**inole interim City Manager Charlie Long has been productive since assuming office less than three months ago.

He restructured the redevelopment agency, started foreclosure against a long-delinquent debtor of the agency, terminated a ground lease with a developer that owns a piece of several agency projects and produced detailed weekly city manager's reports to broad applause.

Now, as Long embarks on a performance review of the entire redevelopment agency, a vocal group of municipal watchdogs is quibbling with his focus, which is to fix the problems and move forward. The group says it wants an accounting of who is responsible for the agency's problems and vows to pursue it — whether Long wants to go there.

Long has said he envisions the Redevelopment Agency Program Performance Review as a "going forward" look to improving its effectiveness. Last week, the City Council in a 3-0 vote — Councilman Stephen Tilton was absent — approved a scope of work that calls for evaluating the agency's management of its assets and programs as well as its long-term financial planning. The review also will look into how the agency monitors payments on its loans and ground leases.

The review will analyze ground leases between the agency and developer TKG for two shopping centers and a planned medical office campus at the Gateway West area; loan documents for the Pear Street Bistro and other projects; audited financial statements from 2005 to 2007; plans for several Old Town projects; a development agreement for Pinole Shores Business Park; and settlements of a lawsuit against contractors, developers and architects over construction of the Pinole Senior Village and Alzheimer's/Dementia care facility.

Some of the documents go back more than 10 years.

The review, to be done by the city staff, will take about 90 days starting Oct. 16. That would put the completion date just weeks before a Feb. 5 recall election of Pinole Mayor Maria Alegria and Tilton.

The review "is intended to identify the deficiencies and implement the necessary corrective measures, and is not designed to identify culpability of specific redevelopment agency members and/or staff," Long wrote in a staff report.

"My focus is on identifying problems and fixing them. Not on assigning blame," Long said in an e-mail last week.

But resident Cindy Trego said, "How can you move forward if you haven't gone back and addressed the root issue?"

"The truth of how all this happened and who's responsible must come out."

The redevelopment agency has come under criticism after a series of failures

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involving taxpayer money. One is a long-running impasse over the Pear Street Bistro, whose owner has not made payments on several hundred thousand dollars of redevelopment loans for two years.

And earlier this month, it came to light that TKG never made any rent payments on its ground lease at Gateway West; moreover, the lease, which was signed in October 2003, was not booked into the city's accounts ledger until officials discovered it recently.

Former City Manager Marc Grisham, under whose tenure the lease was signed, said earlier this month that "this stuff should have been picked up in an audit and addressed."

He said that during his time as city manager, "We tracked all our leases, just like we tracked all our loans" but that he does not know what happened after he resigned. That occurred before the end of the 2003-04 fiscal year; Grisham started his new job as city manager of Pittsburg on June 1, 2004.

As of last month, the TKG arrears came to \$356,709 after accrued penalties and interest. The City Council, following Long's recommendations, terminated the ground lease Oct. 2.

"Any failures need to be looked at in terms of organization, culture and procedures," Long said Friday. "I think it would be misguided to assign blame to individuals."

**"Let's fix the culture and the practices and avoid the political witch hunt that seems to be going on," he said in a recent e-mail.**

Others, however, were not shy about laying blame — and using Long's reports to make their case and score political points. Alegria put the blame on Grisham's successor, Belinda Espinosa, and her staff. Espinosa's tenure as Pinole city manager — and the way it ended — are central issues in the recall campaign.

"I certainly agree with Mr. Long's comments that it is unacceptable that these facts were not reported to the city council by (Espinosa) or city staff," Alegria wrote in an e-mail to the Times.

Long, however, has said he does not know who is responsible for the failure to note that TKG owed the agency rent.

Recall sponsors targeted Alegria and Tilton for their part in a 3-2 council vote in May to dismiss Espinosa at the end of her contract; Councilman David Cole, who resigned in August, was the third member of that majority. The sponsors say Espinosa was ousted in part because she got tough on Wong and his delinquent loans; Alegria and Tilton are friends of Wong's.

Espinosa has stayed out of the fray. She has not spoken publicly and has declined several requests for comment from the Times, citing terms of her severance agreement with the city that include a mutual nondisparage clause.

Trego, who backs a recall, says blaming the culture and practices of the agency without assigning responsibility is a cop-out.

"Was it that procedures weren't in place, or was it that the person in charge didn't follow the procedures?" she said.

"Here's the guy who's the guru of transparency in government," Trego said, referring to Long. "He has to tell the community who is responsible and what happened."

"Most people who commented on my proposed scope of work seemed to accept this approach, and the council endorsed it unanimously," Long said.