

REDEVELOPMENT AGENCY BOARD

SYNOPSIS

May 22, 2001

LINDA J. LEZOTTE
FORREST WILLIAMS
CINDY CHAVEZ
CHUCK REED
NORA CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

RON GONZALES CHAIR

KEN YEAGER
GEORGE SHIRAKAWA, JR.
DAVID CORTESE
JOHN DIQUISTO
PAT DANDO

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT10



Welcome to the San Jose Redevelopment Agency's Board meeting. Our Board is composed of the ten City Councilmembers and the Mayor, who serve as our Boardmembers and Chairperson.

This Agenda contains both a Consent Calendar section for routine business items requiring Board approval, and general business items arranged to correspond to the Agency's Core Service Areas. The Core Service Areas represent the policy-making level for strategic planning, policy setting, and investment decisions in the critical functions the Agency provides to the community and to the City. The four Core Service Areas are:

- ***Promote and Implement Neighborhood Improvement Strategies*** — Through collaboration, revitalize commercial and residential neighborhoods so they are livable, safe, diverse and economically sustainable.
- ***Enhance the Quality and Supply of the City's Housing Stock*** — Enhance the Quality and Supply of the City's Housing Stock
- ***Initiate and Facilitate Public Facilities and Spaces*** — To guide the creation of a fabric of public facilities and spaces that is useful, stable, inviting, delightful and instills pride in the community to foster the opportunity for other investments
- ***Initiate and Facilitate Private Development*** — Capitalize on market opportunities and facilitate private development in the fastest possible time with the highest quality customer service

You may speak to the Board about items on the agenda by submitting a Speaker's Card to the Agency's Clerk seated at the front table. If you wish to address the Board about an issue that is not on the Board agenda, you may speak during the "Open Forum" during the City Council's meeting. The Board is unable to discuss or take action on issues presented during Open Forum. According to State Law (the Brown Act), items must first be noticed on the agenda before any discussion or action. Tips for speaking to the Board:

- **Please submit a Blue Speaker's Card before the meeting or before the item is heard.** This ensures that your name is called for item(s) you wish to address, and that the meeting runs smoothly for all participants.
- When the Board reaches your item on the agenda, the Chairperson will open the public hearing and call your name. Please address the Board from the large podium located to the left of the Clerk's table.
- Each speaker generally has two minutes to speak per item. The amount of time allotted to speakers may vary at the Chairperson's discretion however, depending on the number of speakers and length of agenda.
- There are three lights to assist you with tracking your speaking time. They are located to the far right of the podium. The green light turns on when you begin speaking; the yellow light turns on when you have 30 seconds left; and, the red light comes on when your speaking time is up.

If you have any questions, please direct them to Agency staff seated at the tables just below the dais. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings. The Redevelopment Agency's Board meets on Tuesdays, following the City Council meeting at 1:30 p.m. Agendas of future meetings are posted immediately outside City Hall's main entrance and at: www.sjredevelopment.org.

CALL TO ORDER AND ROLL CALL

Mayor Ron Gonzales called the meeting to order at 3:37 p.m.

PRESENT: GONZALES, CAMPOS, CORTESE, DANDO, LEZOTTE, REED, SHIRAKAWA, JR., YEAGER, WILLIAMS.

ABSENT: CHAVEZ (EXCUSED), DIQUISTO (EXCUSED).

ORDERS OF THE DAY

Item 7.1 is to be considered in a joint Redevelopment Agency Board/City Council session.

See Item 10 on the City Council Agenda for description of any City Council agenda items relating to the Redevelopment Agency.

Orders of the Day Approved. Absent: Chavez, Diquisto.

1 CEREMONIAL ITEMS

1.1 Ceremonial Matters: Annual Employee Recognition Awards.

Item 1.1. was deferred until June 12, 2001.

2 CONSENT CALENDAR

Notice to the public: There will be no separate discussion of Consent Calendar items as they are considered to be routine by the Agency Board and will be adopted by one motion. If a member of the Agency Board, staff, or public requests discussion on a particular item, that item will be removed from the Consent Calendar and considered separately.

2.1 Approval of Minutes:

Recommendation: Approval of Redevelopment Agency Minutes for the Regular meeting of April 24, 2001

Approved. Absent: Chavez, Diquisto.

2 CONSENT CALENDAR (Continued)

2.2 Report of the Agency Finance Committee – April 25, 2001 Council Member Dando, Chair

- (1) Monthly Financial Statements – March 2001
- (2) Capital Cost Report - March 2001
- (3) Cash Flow Projection - March 2001
- (4) Tax Increment Forecast

Approved. Absent: Chavez, Diquisto.

2.3 Report of the Rules Committee – May 2, 2001 Vice Mayor Shirakawa, Jr., Chair

- (1) Review May 15, 2001 Draft Agenda
- (2) Add new items to the May 8, 2001 Amended Agenda

Approved. Absent: Chavez, Diquisto.

2.4 Report of the Rules Committee – May 9, 2001 Vice Mayor Shirakawa, Jr., Chair

- (1) Review May 22, 2001 Draft Agenda
- (2) Review May 15, 2001 Draft Agenda

Approved. Absent: Chavez, Diquisto.

2.5 Authorization for the Executive Director to negotiate and execute a tenant improvement agreement with Forest City Commercial Management for tenant improvements in an amount not to exceed \$123,000.

Recommendation: Adoption of a resolution authorizing the Executive Director to negotiate and execute a ~~tenant improvement agreement~~ fifth amendment to the Agency's lease with Forest City Commercial Management for landlord's construction of tenant improvements for the Agency offices located at 50 West San Fernando, in an amount not to exceed \$123,000.

Resolution No. 5158 adopted. Absent: Chavez, Diquisto.

2.6 Approval of an agreement with SMWM, in the amount of \$120,000, for architectural and graphic design services for the downtown signage program.

Recommendation: Approval of an agreement with Simon Martin-Vegue Winkelstein Moris (SMWM), in an amount of \$120,000, for architectural and graphic design services for the downtown signage program with a term through June 30, 2002.

Approved. Absent: Chavez, Diquisto.

3 NEIGHBORHOOD IMPROVEMENT STRATEGIES

None.

4 HOUSING

None.

5 PUBLIC FACILITIES AND SPACES

5.1 Approval of the acquisition of property at 33 North 5th Street as a future development site, in the amount of \$480,000.

Recommendation: Approval of a Purchase and Sale Agreement with Alfred Yim, Connie Yim and Chi Sheung Cho Yim, in the amount of \$480,000 plus related closing costs, for the property located at 33 North 5th Street (APN: 467-20-008), as a future development site. CEQA: Resolution No. 68905.

Approved. Absent: Chavez, Diquisto.

5.2 Approval of the acquisition of property at 97 - 99 North 5th Street for the parking garage for the Civic Center Project, in the amount of \$875,000.

Recommendation: Approval of a Purchase and Sale Agreement with Lilly S. Lee, in the amount of \$875,000 plus related closing costs, for the property located at 97-99 North 5th Street (APN: 467-20-001), for the parking garage for the Civic Center Project. CEQA: Resolution No. 68905.

Item 5.2 was deferred until June 12, 2001.

5.3 Approval of the acquisition of property at 31 North 5th Street as a future development site, in the amount of \$505,000.

Recommendation: Approval of a Purchase and Sale Agreement with Tan Nguyen and Sylvia Hang Tang, in the amount of \$505,000 plus related closing costs, for the acquisition of 31 North 5th Street (APN: 467-20-009), as a future development site. CEQA: Resolution No. 68905.

Approved. Absent: Chavez, Diquisto.

5 PUBLIC FACILITIES AND SPACES (Continued)

5.4 Approval of the acquisition of property at 39 North 5th Street as a future development site, in the amount of \$1,125,000.

Recommendation: Approval of a Purchase and Sale Agreement with Terry Pries and Dino Pries, in the amount of \$1,125,000 plus related closing costs, for the acquisition of 39 North 5th Street (APN: 467-20-007), as a future development site. CEQA: Resolution No. 68905.

Approved. Absent: Chavez, Diquisto.

5.5 Approval of the acquisition of property at 150 Bellevue Avenue for the proposed Bellevue Avenue Park Project, in the amount of \$526,229.

Recommendation: Approval of a Purchase and Sale Agreement with Anita M. Goble and Goble/Dollar Management Co., Inc., in the amount of \$526,229 plus related closing costs, for the acquisition of 150 Bellevue Avenue (APN: 434-24-068), in the proposed Bellevue Avenue Park Project area located in the Monterey Corridor Redevelopment Area.

Approved. Absent: Chavez, Diquisto, Yeager.

6 PRIVATE DEVELOPMENT

6.1 Approval of an amendment to the URM OPA with Core Development for seismic retrofit of 465-467 South First and 466 South Market Streets.

Recommendation: Approval of the first amendment to an Unreinforced Masonry (URM) Owner Participation Agreement (OPA) with Core Development Inc., to allow the building to be used for office space, provide a six month construction extension, and assist with the seismic retrofit of the City Landmark building located at 465-467 South First Street/466 South Market Street. CEQA: Resolution No. 68839.

Approved. Absent: Chavez, Diquisto, Yeager.

6.2 Approval of an amendment to the DDA with Adobe Systems, Inc., to increase the size of the second Phase Two Office Tower to be constructed by Adobe at its headquarters' complex located on Almaden Boulevard and approval of the schematic designs.

6 PRIVATE DEVELOPMENT (Continued)

Item 6.2 - Continued

Recommendation: Adoption of resolutions:

- (a) Approving the add of \$2,250,000 to the Adopted FY 2001-2005 Capital Improvement Program/Economic Development – Adobe Systems project line in the Park Center Redevelopment Area.
Public testimony received. Resolution No. 5159 adopted. Absent: Chavez, Diquisto.

- (b) Approving an amendment to Disposition and Development Agreement (DDA) with Adobe Systems, Inc. for the purpose of increasing the size of the second Phase Two Office Tower to be constructed by Adobe at its headquarters' office complex located on Almaden Boulevard between San Fernando Street and Park Avenue in Downtown San Jose, and authorizing the Executive Director to negotiate and execute such documents as required under the amendment to the DDA.
Public testimony received. Resolution No. 5160 adopted. Absent: Chavez, Diquisto.

- (c) Approval of the schematic design for the proposed Phase Two Office Tower.
Public testimony received. Approved. Absent: Chavez, Diquisto.

6.3 Approval of an Exclusive Negotiations Agreement with Blake Hunt Ventures for a period of ninety days for a DDA for development of the commercial site located at the southeast and southwest corners of Story and King Roads.

Recommendation: Approval of an Exclusive Negotiations Agreement with Blake Hunt Ventures, for a period of ninety days, for a Disposition and Development Agreement relating to the development of commercial properties; located generally west of King Road, South of Story Road, west of Pompano Street and east of Knox Street, and the site located generally east of King Road, South of Story Road, west of Bal Harbor Street and north of the Alum Rock School district Property.

Public testimony received. Approved. Noes: Dando, Reed. Absent: Chavez, Diquisto.

7 JOINT REDEVELOPMENT AGENCY/COUNCIL

7.1 Public hearing and approval of a DDA with Montgomery Hotel Group, LLC, for the adaptive reuse and disposition of the relocated Montgomery Hotel.

Recommendation: Adoption of resolutions by the City Council and Agency Board as follows:

- (a) Adoption of a resolution by the City Council approving the sale of the Montgomery Hotel site (generally located between San Fernando and San Carlos Streets) to the Montgomery Hotel Group, LLC and finding that the sale of the property will assist in the elimination of blight, is consistent with the Implementation Plan for the San Antonio Plaza Redevelopment Project Area and that the consideration for the property is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the Disposition And Development Agreement (DDA).
- (b) Adoption of a resolution by the Agency Board approving the addition of \$6,065,000 to the Adopted FY 2000-2001 Capital Budget Montgomery Hotel Development new project line in the San Antonio Redevelopment Area and amending the FY 2000-2001 Agency appropriation resolution; and,
- (c) Adoption of a resolution by the Agency Board amending the FY 2000-2991 Agency Appropriation resolution; and,
- (d) Adoption of a resolution by the Agency Board approving the Disposition and Development Agreement and authorizing the Executive Director to execute ancillary documents contemplated by the DDA and to close escrow and convey the Property subject to compliance with the terms of the DDA, and to negotiate and execute amendments to the DDA substantially in conformance with the intent of the DDA as reasonably necessary to conform to lender requirements.

CEQA: Resolution No. 67982.

Item 7.1 (a)-(d) was deferred until June 5, 2001.

CLOSED SESSION REPORT

None.

ADJOURNMENT

The meeting was adjourned to City Council Closed Session at 4:29 p.m.