

# **REDEVELOPMENT AGENCY BOARD**

## **SYNOPSIS**

**October 9, 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](http://www.sjredevelopment.org).

## **CALL TO ORDER AND ROLL CALL**

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**Mayor Ron Gonzales called the meeting to order at 3:20 p.m.**

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

## **ORDERS OF THE DAY**

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

**Item 3.4 deferred to October 23, 2001. Orders of the Day Approved.**

### **1 CEREMONIAL ITEMS**

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**None.**

### **2 CONSENT CALENDAR**

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#### **2.1 Report of the Rules Committee – September 19, 2001**

**Vice Mayor Shirakawa, Jr., Chair**

(a) Review October 2, 2001 Draft Agenda.

(b) Add New Items to the September 25, 2001 Amended Agenda.

**Approved.**

#### **2.2 Approval of an amendment to a contract with Keyser Marston Associates, for a total contract amount not to exceed \$955,000, for real estate and financial consulting services.**

**Recommendation:** Approval of the third amendment to the agreement with Keyser Marston Associates, in the amount of \$270,000, for a total contract amount not to exceed \$955,000, for real estate and financial consulting services, and extending the term of the agreement through June 30, 2002.

**Public testimony received. Approved.**

## 2 CONSENT CALENDAR (Continued)

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### 2.3 Approval of the Continuation Agreements and Second Amendments with Reliable Concepts Corporation and with Hill Enterprises for total contract amounts of each contract not to exceed \$220,000, for continued asset management services.

**Recommendation:** Adoption of resolutions:

- (a) Approving the Continuation Agreement and Second Amendment with Reliable Concepts Corporation, in the amount of \$75,000, for a total contract amount not to exceed \$220,000, for continued asset management services, and extending the term of the agreement by one-year through September 30, 2002.

**Resolution No. 5220 adopted.**

- (b) Approving the Continuation Agreement and Second Amendment with Ben Hill (dba Hill Enterprises), in the amount of \$75,000, for a total contract amount not to exceed \$220,000, for continued asset management services, and extending the term of the agreement by one-year through September 30, 2002.

**Resolution No. 5221 adopted.**

**END OF CONSENT CALENDAR**

## 3 NEIGHBORHOOD IMPROVEMENT STRATEGIES

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### 3.1 Approval of an agreement with Field Paoli, in the amount of \$308,000, to create the South of First Area (SoFA) Strategic Development Plan.

**Recommendation:** Approval of an agreement with Field Paoli Architects, Inc., in the amount \$308,000, to provide additional urban design, architectural and planning services for the creation of the SoFA Strategic Development Plan.

**Public testimony received. Approved.**

### 3 NEIGHBORHOOD IMPROVEMENT STRATEGIES (Continued)

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#### 3.2 **Approval of the Second Amended and Restated Preliminary Plan for the proposed Strong Neighborhoods Initiative (SNI) Redevelopment Project Area.**

**Recommendation:** Adoption of a resolution approving the Second Amended and Restated Preliminary Plan for the proposed Strong Neighborhoods Initiative Redevelopment Project Area, as submitted by the Planning Commission; and authorizing the Executive Director to transmit the required information to local and state officials, to prepare all required reports and to initiate all required consultation.

**Resolution No. 5209 adopted.**

#### 3.3 **Approval of an agreement with BMS Design Group for urban design and planning services to create the Diridon/Arena Strategic Development Plan and authorization for the Executive Director to negotiate and execute a cost sharing agreement with VTA for up to half of the contract costs.**

**Recommendation:**

(a) Adoption of a resolution authorizing the Executive Director to negotiate and execute an agreement with BMS Design Group, in an amount not to exceed \$310,000, for urban design and planning services to create the Diridon/Arena Strategic Development Plan.

**Public testimony received. Resolution No. 5210 adopted.**

(b) Adoption of a resolution authorizing the Executive Director to negotiate and execute a cost sharing agreement with Santa Clara Valley Transportation Authority (VTA) to share up to 50% of the \$310,000 contract costs associated with the creation of the Diridon/Arena Strategic Development Plan.

**Public testimony received. Resolution No. 5211 adopted.**

### **3 NEIGHBORHOOD IMPROVEMENT STRATEGIES (Continued)**

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#### **3.4 Approval of an amendment with Mineweaser & Associates, in the amount of \$75,000, for a total contract amount of \$695,000, for services related to the relocation of historically significant houses in the Civic Center Area.**

**Recommendation:** Approval of the second amendment to the agreement with Mineweaser & Associates, in the amount of \$75,000, for a total contract amount not to exceed \$695,000, for services related to the relocation of historically significant houses in the Civic Center Redevelopment Area. CEQA: Resolution No. 68905.

**Item 3.4 deferred to October 23, 2001.**

### **4 HOUSING**

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**None.**

### **5 PUBLIC FACILITIES AND SPACES**

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**None.**

### **6 PRIVATE DEVELOPMENT**

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#### **6.1 Approval of a Continuation Agreement for the Exclusive Negotiations Agreement with Palladium San Jose, LLC, extending the term by two months for the proposed development of a mixed-use project in the downtown area.**

**Recommendation:** Approval of a Continuation Agreement for the Exclusive Negotiations Agreement with Palladium San Jose, LLC, a Delaware Limited Liability Company wholly owned by The Palladium Company, extending the term by two months for a term ending November 30, for the proposed development of a mixed-use project containing approximately three hundred twenty-five thousand square feet of retail and 1.3 million square feet of residential and office space.

**Public testimony received. Approved.**

**6.2 Public Hearing and approval of three-year extensions for the leases for the Software and the Environmental business clusters located at 2 North First Street and for the International business cluster located at 111 North Market Street.**

**Recommendation:** Approval of:

- (a) The fourth amendment to the lease between the Agency as tenant and Solid State Optronics, Inc., as landlord, for approximately 32,400 square feet at 2 North First Street for the software and environmental business clusters, extending the term for an additional 36 months and increasing the rent for a total lease amount not to exceed \$3,472,924 for the lease period.  
**Public testimony received. Approved.**
- (b) The fourth amendment to the sublease and operating agreement with the San Jose State University Foundation to operate and manage such office space for the software and environmental business clusters.  
**Public testimony received. Approved.**
- (c) The third amendment between the Agency as tenant and W9/PHC Real Estate Limited Partnership, as landlord, extending the term for an additional 36 months and increasing the rent for 14,687 square feet of space at 111 North Market Street, Suite 600, in an amount not to exceed \$1,262,678 for the lease period.  
**Public testimony received. Approved.**
- (d) The second amendment to the sublease and operating agreement with the San Jose State University Foundation to operate and manage such office space for the international business incubator program at 111 North Market Street.  
**Public testimony received. Approved.**

**6.3 Approval of an Owner Participation Agreement (OPA) with Divco West Properties, Inc., for a proposed seventeen-story, 516,000 square foot, Class A office tower development.**

## 6 PRIVATE DEVELOPMENT (Continued)

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### **Recommendation:**

- (a) Approval of an Owner Participation Agreement with SJ Plaza, LLC, 101 Park, LLC, and 177 Park, LLC, controlled by Divco West Properties LLC (Developer), for a proposed seventeen-story, approximately 516,000 square foot, Class A office tower development, and authorizing the Executive Director to negotiate and execute the Operations Agreement and amendments, as required, to existing Parking Covenants recorded on the property consistent with the terms identified in the OPA.

**Public testimony received. Approved.**

- (b) Approval of a variation from the restrictions in the Park Center Redevelopment Plan to allow for the proposed building height, land coverage, floor area ratios, and setbacks to be consistent with the City's General Plan 2020 and current Zoning Ordinance.

**Public testimony received. Resolution No. 5223 adopted.**

### **6.4 Approval of the first amendment to the Exclusive Negotiations Agreement with Blake Hunt Ventures for a period of 6 months, relating to the development of commercial properties.**

**Recommendation:** Approval of the first amendment to the Exclusive Negotiations Agreement with Blake Hunt Ventures, for the commercial properties at the southeast and southwest corners of Story and King Roads extending the term six months through April 16, 2002, and amending the agreement to provide for Agency payment of all CEQA costs associated with the proposed project.

**Public testimony received. Board Member LeZotte voted Yes on the motion, but voted No on the \$100,000 CEQA payment. Approved. Noes: Dando, Reed.**

## 7 JOINT REDEVELOPMENT AGENCY/COUNCIL

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**None.**

### **CLOSED SESSION REPORT**

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**None.**

**OPEN FORUM**

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**None.**

**ADJOURNMENT**

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**The meeting was adjourned at 4:50 p.m.**