

REDEVELOPMENT AGENCY BOARD AMENDED AGENDA

DECEMBER 17, 2002

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

To arrange an accommodation under the Americans with Disabilities Act to participate in this public meeting, please call 1 (408) 277-4424 or 1 (408) 998-5299 (TTY) at least two business days before the meeting.

On occasion the Agency Board may consider agenda items out of order.

- **Call to Order and Roll Call**

9:30 a.m.- Closed Session, Room 600, City Hall

See Separate Agenda

1:30 p.m.- Regular Session, Council Chambers, City Hall

- **Orders of the Day**

Items 7.1 – 7.2 are to be considered in a joint Redevelopment Agency Board/City Council session.

* Items marked with an asterisk denote changes or additions to the previously published Agenda for this meeting.

See Item 10 on the City Council Agenda for a description of City Council agenda item pertaining to the Conflict of Interest program.

1 CEREMONIAL ITEMS

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 Board Meeting Minutes:

Recommendation: Approval of Redevelopment Agency Minutes for:

- (a) Regular meeting of August 13, 2002.
- (b) Regular meeting of August 20, 2002.
- (c) Regular meeting of September 3, 2002.
- (d) Regular meeting of September 10, 2002.
- (e) Regular meeting of September 24, 2002.
- (f) Regular meeting of October 1, 2002.

2.2 Report of the Rules Committee – November 13, 2002

Vice Mayor Shirakawa, Jr., Chair

- (a) Review November 26, 2002 Draft Agenda.
- (b) Add items to the November 19, 2002 Agenda.

2.3 Report of the Rules Committee – November 20, 2002

Vice Mayor Shirakawa, Jr., Chair

- (a) Review December 3, 2002 Draft Agenda.
- (b) Add items to the November 26, 2002 Agenda.

2.4 Report of the Rules Committee – December 4, 2002

Vice Mayor Shirakawa, Jr., Chair

- (a) Review December 17, 2002 Draft Agenda.
- (b) Add items to the December 10, 2002 Agenda.

2.5 Approval of the first amendment to the agreement with BOORA Architects for architectural services at the Pala Youth Center Project.

Recommendation: Approval of the first amendment to the agreement with BOORA Architects, in the amount of \$130,000, for a total contract amount not to exceed \$775,000, for architectural services at the Pala Youth Center Project, at no increase to the project budget, and extending the term of the agreement by one month, through October 30, 2003. [ALUM ROCK]

2.6 Approval of an amendment to the agreement with Page and Turnbull, Inc., to provide historic preservation consulting services.

Recommendation: Approval of the Second Amendment and Continuation Agreement with Page and Turnbull, Inc., in the amount of \$25,000, for a total contract amount not to exceed \$174,500, to consult on adaptive reuse and historic preservation, prepare background and feasibility studies on historic structures, consult on the Agency's rehabilitation programs and complete design guidelines for the Downtown Commercial Historic District. [MERGED]

2.7 Approval of the third amendment to the agreement with Meyers, Nave, Riback, Silver & Wilson, for eminent domain legal services.

Recommendation: Approval of the third amendment to the agreement with Meyers, Nave, Riback, Silver & Wilson, in the amount of \$200,000, for a total contract amount not to exceed \$600,000, for eminent domain legal services. [MERGED]

2.8 Approval of an amendment to the agreement with Consolidated Engineering Laboratories for construction testing and inspection services for the Joint Library Project.

Recommendation: Approval of the first amendment to the agreement between the Redevelopment Agency, the Trustees of the California State University on behalf of San Jose State University, and Consolidated Engineering Laboratories, Inc., in the amount of \$80,400, for a total contract amount not to exceed \$973,343, to provide ongoing construction testing and inspection services for the Joint Library Project. [MERGED]

***2.9 Approval of an agreement with Borelli Investment Company for property management services at the southeast and southwest corners of the Story/King Revitalization Project.**

Recommendation: Approval of an agreement with Borelli Investment Company, in the amount of \$195,290, for property management services at the southeast and southwest corners of the Story/King Revitalization Project. [STORY ROAD] (Deferred 12/10/02, Item 2.5)

3 NEIGHBORHOOD IMPROVEMENT STRATEGIES

***3.1 Approval of an amendment to the agreement with BMS Design Group for urban design and planning services.**

Recommendation: Adoption of a resolution authorizing the Executive Director to negotiate and execute an amendment to the agreement with BMS Design Group, in an amount not to exceed \$20,000, for a total contract amount not to exceed \$330,000, for urban design and planning services to create the Diridon/Arena Strategic Development Plan. [MERGED]

4 HOUSING

5 PUBLIC FACILITIES AND SPACES

5.1 Approval of a Lease Termination and Release Agreement with West Hotel Partners, LP (San Jose Hilton Hotel), for the parking lot located at the southeast corner of Almaden Boulevard and Balbach Street.

Recommendation: Approval of a Lease Termination and Release Agreement between West Hotel Partners, LP, and the Redevelopment Agency for the property

located at the southeast corner of Almaden Boulevard and Balbach Street. CEQA: 68839 [GUADALUPE AUZERAIS] (Deferred 11/12/02, Item 5.1)

5.2 Approval of various budget actions and adjustments in the Market Gateway Redevelopment Area Budget, the South Seventh Street Improvements project line of the Monterey Corridor Neighborhood Business District, and the Fourth Street Garage project line.

Recommendation: Adoption of resolutions:

- (a) Approving the addition of \$300,000 to the Adopted FY 2002-2003 Capital Budget, South Seventh Street Improvements project line, in the Monterey Corridor Neighborhood Business District.
- (b) Approving the addition of a new project line, Market Gateway Development, for \$1,500,000 to the Adopted FY 2002-2003 Capital Budget in the Market Gateway Redevelopment Area.
- (c) Approving the addition of \$1,800,000 to the Adopted FY 2002-2003 Capital Budget, Fourth Street Parking Garage Project line in the Merged Area.
- (d) Approving the revenue reduction of \$4,467,298 on interest earnings for Adopted FY 2002-2003 Budget.
- (e) Amending the FY 2002-2003 Redevelopment Agency appropriations resolution.
- (f) Amending the FY 2002-2003 Redevelopment Agency revenue resolution.
[CIVIC PLAZA/MARKET GATEWAY/MONTEREY CORRIDOR]

5.3 Approval of the fifth amendment to the agreement with Cutler & Associates, Inc., at no increase to the budget.

Recommendation: Approval of the fifth amendment to the master agreement with Cutler & Associates, Inc., in the amount of \$1,450,000, for a total contract amount not to exceed \$5,950,000, for continued real estate acquisition and site delivery services for various Redevelopment projects, at no addition to the approved budget. **[MERGED]**

5.4 Authorization for the Executive Director to negotiate and execute an amendment to the Agency's lease with Forest City Commercial Management to add Suite 320 to the existing leased space at 50 West San Fernando Street, and to extend the lease termination date by 27 months to December 31, 2005.

Recommendation: Adoption of a resolution authorizing the Executive Director to negotiate and execute the sixth amendment to the Agency's lease with Forest City Commercial Management to add Suite 320, consisting of approximately 5,938 square feet, to the existing Agency offices on the 9th and 11th floors at 50 West San Fernando Street, and extend the existing lease termination date from September 7, 2003 to December 31, 2005. [MERGED]

5.5 Approval of leasing actions for office space located at 60 South Market.

Recommendation:

- (a) Approval of the third amendment to the Lease Agreement with SMS-VEF IV, LLC, extending the term for a period of 35 months, commencing February 1, 2003 to December 31, 2005, for 12,217 square feet of office space at 60 South Market Street for a base rent of \$31,764 per month (\$2.60 per square foot) with annual increases of 3%, plus tenant's pro-rata share of common area maintenance and operating expenses over the 2003 base year; and,
- (b) Public Hearing and approval of the first amendment to the sublease with US Display Consortium, extending the term for a period of 35 months commencing February 1, 2003 to December 31, 2005, for 1,500 square feet of office space at 60 South Market Street for a base rent of \$3,900 per month (\$2.60 per square foot) with annual increases of 3%, plus sub-tenant's pro-rata share of common area maintenance and operating expenses over the 2003 base year; and,
- (c) Adoption of a resolution approving an adjustment to the Capital Budget Other/Miscellaneous Revenue in the Adopted FY 2002-03 Capital Budget in the amount of \$67,590, and adoption of a resolution approving an adjustment to the FY 2002-03 Agency appropriation resolution.

[PUEBLO UNO]

***5.6 Rejection of all bids for the Bike Barn Demolition and Parking Lot Construction project located at 340 N. San Pedro Street.**

Recommendation: Adoption of a resolution rejecting all bids for the Bike Barn Demolition and Parking Lot Construction project located at 340 N. San Pedro Street and direction to Agency staff to re-bid the project. [MERGED]

***5.7 Approval of an agreement for preparation of a study and proposed amendment to the 1994 Master Plan for Roosevelt Park.**

Recommendation: Approval of an agreement with Catalyst, in the amount of \$380,040, for preparation of a study and proposed amendment to the 1994 Master

Plan for Roosevelt Park to explore a possible new community center, possible skate park and other community facilities as determined through the community input process. [NEIGHBORHOOD BUSINESS DISTRICT]

***5.8 Approval of funding actions related to creation of up to 311 “Parking Plus” parking spaces in the downtown as part of the mixed-use project.**

Recommendation:

- (a) Adoption of a resolution finding and approving that the addition of 311 parking spaces in the mixed-use project is consistent with the Parking Management Plan for the downtown approved by the Agency Board and City Council on November 6, 2001; and,
- (b) Adoption of a resolution approving the addition of a new project line, Parking Plus, for \$9,330,000 to the Adopted FY 2002-2003 Capital Budget in the Merged Redevelopment Area; and,
- (c) Adoption of a resolution approving the addition of \$9,330,000 in revenue funds from bond proceeds to the FY 2002-2003 Adopted Budget.

CEQA: Resolution No. 71039.1 [MERGED]

6 PRIVATE DEVELOPMENT

6.1 Progress Report on the Implementation Plans for the San Jose Redevelopment Project Areas.

Recommendation: Public Hearing to evaluate the progress of redevelopment under the Implementation Plan and related Redevelopment Plans for the Almaden Gateway, Alum Rock Avenue, Century Center, Civic Plaza, East Santa Clara Street, Edenvale, Guadalupe-Auzerais, Japantown, Julian-Stockton, Market Gateway, Mayfair One, Monterey Corridor, Olinder, Park Center, Pueblo Uno, Rincon de los Esteros, San Antonio Plaza, Story Road, The Alameda, and West San Carlos Street Project Areas, and approval of the Progress Report submitted by Agency staff, as submitted or as changed by the Board, as the evaluation of the progress of such redevelopment. [MERGED] (Deferred 11/26/02, Item 6.1)

6.2 Authorization for a REAL agreement for tenant improvements of the facilities located at 418 South Market Street.

Recommendation: Adoption of a resolution authorizing the Executive Director to negotiate and execute a Retail, Entertainment and Arts (REAL) loan agreement, in the amount not to exceed \$450,000, inclusive of a \$50,000 contingency, with

Jacek and Ann Chin Rosicki, property owners, for tenant improvements of the facilities located at 418 South Market Street. CEQA: 68839 [MERGED]

6.3 **Approval of actions related to a Bioscience Initiative for San Jose.**

Recommendation: Adoption of resolutions:

- (a) Approving the Bioscience Initiative; and,
- (b) Approving the addition of \$4,500,000 and the proposed shift of \$1,000,000 from FY 2003-04 to the Adopted FY 2002-03 Capital Budget for the Biotech Initiative project line item in the Edenvale Redevelopment Area, as detailed on Attachment A; and,
- (c) Amending the FY 2002-03 Agency appropriations resolution; and,
- (d) Amending the FY 2003-07 Capital Improvement Program; and,
- (e) Directing staff to negotiate an agreement with Mission West Properties consistent with the business terms for Agency assistance associated with constructing facilities and capital equipment for a Bioscience Incubator and Innovation Center in the Edenvale Redevelopment Project Area.

CEQA: Resolution No. 70021, PP 02-12-368 [MERGED]

6.4 **Approval of an amendment to the lease with Hawgs Seafood Restaurant, to revise the structure of required rental payments.**

Recommendation: Approval of the third amendment to the lease with Matthew Hardin and Steve Hardin, d.b.a. Hawgs Seafood Restaurant, to extend the period in which no minimum base rent is collected and monthly rent is a percentage rent only. [SAN ANTONIO PLAZA]

7 JOINT REDEVELOPMENT AGENCY/COUNCIL

7.1 **Approval of the Annual Report of Financial Transactions of Community Redevelopment Agencies, FY 2001 - 02.**

Recommendation: Adoption of resolutions by the City Council and Agency Board approving the Annual Report of Financial Transactions of Community Redevelopment Agencies, Fiscal Year 2001 - 02, and directing staff to forward the report to the State of California Controller. (MERGED)

7.2 Approval of the sale by the Redevelopment Agency of 941 The Alameda and approval of a DDA for the construction of 40 condominium units in The Alameda Redevelopment Project Area, and acceptance of the 33433 Summary Report.

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

- (a) By the City Council and Agency Board approving the disposition of the real property located at 941 The Alameda to Green Valley Corporation, accepting the 33433 Summary Report and Re-Use Appraisal, and finding that the disposition of the property will assist in the elimination of blight, is consistent with the Implementation Plan for The Alameda Redevelopment Project Area and that the consideration for the property is not less than the fair reuse value for the proposed use, with the covenants and conditions and development costs authorized by the Disposition and Development Agreement (DDA); and,
- (b) By the Agency Board approving the DDA 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; and,
- (c) By the Agency Board approving additional revenue of \$210,000 to the Adopted FY 2002-2003 Revenue Budget, and amending the FY 2002-2003 Agency appropriations resolution.

CEQA: Negative Declaration, PDC 01-060 [THE ALAMEDA]

- **Closed Session Report**
- **Open Forum - To be heard jointly with City Council Public Discussion.**
- **Adjournment**