

REDEVELOPMENT AGENCY BOARD

MINUTES

MAY 10, 2005

LINDA J. LE ZOTTE
FORREST WILLIAMS
CINDY CHAVEZ
CHUCK REED
NORA CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

RON GONZALES CHAIR

KEN YEAGER
VACANT
DAVID D. CORTESE
JUDY CHIRCO
NANCY PYLE

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT10

- **Call to Order and Roll Call**

Mayor Gonzales called the meeting to order at 4:21 p.m.

**PRESENT: CAMPOS, CHAVEZ, CHIRCO, CORTESE, LEZOTTE,
PYLE, REED, WILLIAMS YEAGER.**

ABSENT: None.

VACANT: DISTRICT 7 SEAT.

- **Orders of the Day**

The Orders of the Day and the Amended Agenda were approved. (10-0.)

1 CEREMONIAL ITEMS

None.

2 CONSENT CALENDAR

2.1 Report of the Rules Committee – April 20, 2004.

- (a) Review May 3, 2005 Draft Agenda.
- (b) Addition of new items to the April 26, 2005 Agenda
- (c) Staff Reports Outstanding for the April 26, 2005 Agenda.

Documents Filed: The Rules Committee Report, dated April 20, 2005.

Action: The Report of the Rules Committee and the actions for April 20, 2005, were approved. (10-0.)

2.2 Approval of a budget adjustment to the FY 2004-05 Adopted Budget, reallocating \$196,185 to NIP – Facade Improvements project line.

Recommendation: Adoption of a resolution approving a budget adjustment to FY 2004-05 Adopted Budget reallocating \$196,185 to Neighborhood Investment Program (NIP) – Facade Improvements project line, and amending the FY 2004-2005 Agency appropriations resolution.

Documents Filed: Memorandum from Redevelopment Agency Director Harry Mavrogenes, dated May 10, 2005, recommending adoption of a resolution.

Action: Redevelopment Agency Resolution No. 5601 was adopted. (10-0.)

3 GENERAL

3.1 Acceptance of Agency Financial Reports

- (a) Monthly Financial Statements – March 2005
- (b) Capital Cost Report – March 2005
- (c) Cash Flow Projection – March 2005

Documents Filed: Memoranda from Redevelopment Agency Director Harry Mavrogenes, all three dated May 10, 2005, recommending acceptance of the Agency Financial Reports.

Action: The reports were accepted. (9-1. Noes: LeZotte.)

4 NEIGHBORHOOD IMPROVEMENT STRATEGIES

None.

5 HOUSING

None.

6 PUBLIC FACILITIES AND SPACES

6.1 Rejection of all bids for the Guadalupe River Park and Gardens signage system.

Recommendation: Approval for the rejection of all bids for the manufacture, fabrication and installation of an Identification, Interpretive and Way-Finding Signage System for the Guadalupe River Park and Gardens. **[MERGED]**

Action: Dropped. Heard on May 3, 2005.

6 PUBLIC FACILITIES AND SPACES

6.2 Approval of an ENA with Urban West Associates of San Diego and Preservation Partners Development III, LLC, for the proposed sale and development of a portion of Block 8.

Recommendation: Approval of an Exclusive Negotiations Agreement (ENA) with Urban West Associates of San Diego and Preservation Partners Development III, LLC, for a 180-day term with an option to extend for an additional 60 day period, for the proposed sale and development of a portion of Block 8 located at the northwest corner of South First Street and San Carlos Street. CEQA: Exempt, PP04-05-158. [SAN ANTONIO PLAZA]

Documents Filed: Memorandum from Redevelopment Agency Director Harry Mavrogenes, dated May 10, 2005, recommending approval of the agreement.

Council Member LeZotte requested the summary report.

Public Comment: William Garbett spoke in opposition to the Staff recommendation.

Action: The agreement was approved. (10-0.)

6.3 Approval of the First Amendment and continuation of an Exclusive Negotiations Agreement with Mesa SoFA Partners, LLC, extending the term to June 30, 2005 for the proposed sale of the Dimensions Site.

Recommendation: Approval of the First Amendment and continuation of an Exclusive Negotiations Agreement with Mesa SoFA Partners, LLC, extending the term to June 30, 2005, for the proposed sale of the Dimensions Site located at 351-369 South First Street/360-396 South Market Street, for development as a mixed use high rise residential and retail project. CEQA: Exempt, PP04-05-158 [MARKET GATEWAY]

Documents Filed: Memorandum from Redevelopment Agency Director Harry Mavrogenes, dated May 10, 2005, recommending approval of the agreement.

Public Comment: William Garbett spoke in opposition to the Staff recommendation.

Action: The agreement was approved. (10-0.)

7 PRIVATE DEVELOPMENT

None.

8 JOINT REDEVELOPMENT AGENCY/COUNCIL

8.1 Award of a contract for design services for the Children's Discovery Museum Fountain Replacement Project.

Recommendation:

- (a) It is recommended that the City Council adopt a resolution making certain determinations required by Redevelopment Law, Health and Safety Code Section 33445, for Agency funding of the replacement of the fountain at the Children's Discovery Museum.
- (b) It is recommended that the Agency Board:
 - (1) Adopt a resolution approving the addition of \$160,000 to the Fiscal Year 2004-2005 Adopted Capital Budget in the CDM-Enhancements project line in the Guadalupe-Auzerais Redevelopment Area, and amending the FY 2004-2005 Agency appropriations resolution.
 - (2) Approve an agreement with Hellmuth Obata-Kassabaum, Inc., in an amount not to exceed \$120,000, for architectural services for the Children's Discovery Museum Fountain Replacement Project.

CEQA: Exempt, PP05-069 [GUADALUPE-AUZERAIS]

Documents Filed: Memorandum from Redevelopment Agency Director Harry Mavrogenes, dated May 10, 2005, recommending approval of the resolutions and agreement.

Public Comment: William Garbett spoke in opposition to the Staff recommendation.

Action: Upon motion by Vice Mayor Chavez, seconded by Council Member Pyle, and carried unanimously, Resolution No. 72665, entitled: "A Resolution of the Council of the City of San José Making Certain Determinations Required by Redevelopment Law Health and Safety Code Section 33445 for Agency Funding of the Replacement of the Fountain at the Children's Discovery Museum"; Redevelopment Agency Resolution No. 5602 were adopted, and the agreement with Hellmuth Obata-Kassabaum, Inc. was approved. (10-0.)

8 JOINT REDEVELOPMENT AGENCY/COUNCIL

8.2 Approval of the First Amendment to the DDA with Regis Homes of Northern California for the development of 43 residential for-sale units on the northeast corner of First and Julian.

Recommendation:

- (a) Adoption of resolutions by the City Council and Agency Board accepting the attached Amended 33433 Summary Report and Re-Use Appraisal, and finding that the disposition of property for the planned 43 unit for-sale residential project assists in the elimination of blight, is consistent with the 13th Street SNI Redevelopment Project Area objectives, 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) Adoption of a resolution by the Agency Board approving the First Amendment to the DDA and authorizing the Executive Director to execute ancillary documents as contemplated by the DDA, close escrow and to convey the Property subject to compliance with the terms of the DDA, and to negotiate and execute additional amendments to the DDA substantially in conformance with the intent of the DDA as reasonably necessary to conform to lender requirements.

CEQA: Exempt; PP04-05-158. [SNI: 13th STREET]

Documents Filed: Memorandum from Redevelopment Agency Director Harry Mavrogenes, dated May 10, 2005, recommending adoption of the resolutions.

Action: Upon motion by Council Member Yeager, seconded by Council Member Campos, and carried unanimously, Resolution No. 72666, entitled: “A Resolution of the Council of the City of San José Accepting the Amended 33433 Summary Report and Re-Use Appraisal for the Disposition of Property to Regis Homes of Northern California for the Development of Either 42 or 43 Residential Units; and Making Certain Findings”; and Redevelopment Agency Resolution No. 5603 were adopted, with Staff to include a Parking Management Plan to Council by August 2005. (9-0-1. Disqualified: Gonzales.)

8 JOINT REDEVELOPMENT AGENCY/COUNCIL

8.3 City Council and Redevelopment Agency actions related to traffic studies and environmental planning in the Rincon de Los Esteros Project Area of North San Jose.

- (a) Adoption by the City Council of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Water Utility Capital Fund:
 - (1) Establish a Transfer to the Redevelopment Agency in the amount of \$35,000 for consultant services related to the Rincon de Los Esteros Redevelopment Plan; and,
 - (2) Decrease the appropriation to the Environmental Services Department for Master Plan Engineering project by \$35,000.
- (b) Adoption by the Agency Board of the following resolutions:
 - (1) Approving the addition of \$35,000 to the FY 2004-05 Adopted Other/Miscellaneous revenue from the City Water Utility System Master Plan Engineering Capital Improvement Program; and,
 - (2) Approving the addition of \$35,000 to the Adopted FY 2004-05 Capital Budget Rincon de Los Esteros Redevelopment Area – Industrial Work Program: Implementation project line; and,
 - (3) Amending the FY 2004-05 Agency appropriations resolution; and,
 - (4) Approving a first amendment to the agreement with David J. Powers & Associates, in the amount of \$50,000 for a total contract amount not to exceed \$250,000, to complete the scope of services associated with preparing the North San Jose EIR for certification, and extending the term of the agreement by three months, through September 30, 2005.

[RINCON DE LOS ESTEROS]

Documents Filed: (1) Memorandum from Redevelopment Agency Director Harry Mavrogenes, and City Manager Del Borgsdorf, dated May 10, 2005, recommending adoption of the appropriation ordinance and resolutions. (2) Memorandum from Senior Deputy City Attorney Susan Devcencenzi, dated May 20, 2005, noting that Resolution No. 72667 was not needed.

Public Comment: William Garbett spoke in opposition to the Staff recommendation.

Action: Upon motion by Council Member Reed, seconded by Vice Mayor Chavez, and carried unanimously, Ordinance No. 27432, entitled: “An Ordinance of the City of San José Amending Ordinance No. 27196 to Appropriate Monies in the Water Utility Capital Fund for Consultant Services Related to the Rincon De Los Esteros Plan; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption”; and Redevelopment Agency Resolution were adopted. Note: Resolution No. 72667 was not adopted. (10-0.)

- **Closed Session Report**

None.

- **Open Forum**

None.

- **Adjournment**

The Council of the City of San Jose, and Redevelopment Agency Board adjourned at 4:35 p.m.

RON GONZALES, MAYOR

ATTEST:

HARRY S. MAVROGENES, SECRETARY