



# **REDEVELOPMENT AGENCY BOARD**

## **MINUTES**

**OCTOBER 28, 2008**

PETE CONSTANT  
FORREST WILLIAMS  
SAM T. LICCARDO  
KANSEN CHU  
NORA CAMPOS

DISTRICT 1  
DISTRICT 2  
DISTRICT 3  
DISTRICT 4  
DISTRICT 5

CHUCK REED – CHAIR

PIERLUIGI OLIVERIO  
MADISON P. NGUYEN  
DAVID D. CORTESE  
JUDY CHIRCO  
NANCY PYLE

DISTRICT 6  
DISTRICT 7  
DISTRICT 8  
DISTRICT 9  
DISTRICT 10

## Call to Order and Roll Call

4:41 p.m. - Regular Session, Council Chambers, City Hall

**Absent: Campos**

- Open Forum
- Closed Session Report

None.

- Orders of the Day

**The Orders of the Day were approved. (10-0-1) Absent: Campos.**

## 1 CEREMONIAL ITEMS

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None

## 2 CONSENT CALENDAR

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### 2.1 Report of the Public Safety, Finance and Strategic Support Committee – September 18, 2008.

**Boardmember Nguyen, Chairperson**

“b.i-iii. Redevelopment Agency Monthly Financial Reports for July 2008.”

Documents Filed: Report of the Public Safety, Finance and Strategic Support Committee, of September 18, 2008, with the Agency’s Monthly Financial Reports for July 2008 attached.

Action: The Public Safety, Finance and Strategic Support Committee report and actions of September 18, 2008, were accepted. (9-0-2) Absent: Campos, Chu.

### 2.2 Approval of Board Meeting Minutes.

**Recommendation:** Approval of Redevelopment Agency Minutes for:

- (a) Regular meeting of September 23, 2008.

Documents Filed: Regular minutes of September 23, 2008.

Action: The Redevelopment Agency minutes were approved. (9-0-2) Absent: Campos, Chu.

## **2 CONSENT CALENDAR**

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### **2.3 Report of the Rules and Open Government Committee – September 24, 2008. Chair Reed, Chairperson**

- (a) Addition of new items to the September 30, 2008: Meeting cancelled.
- (b) Review October 7, 2008 Draft Agenda.
- (c) Rules Committee Reviews, Recommendations and Approvals: Property Disclosures within the SNI by Joseph Horwedel, Director of Planning and Debra Figone, City Manager.

Documents Filed: Report of the Rules and Open Government Committee of September 24, 2008.

Action: The Rules and Open Government Committee report and actions of September 24, 2008, were approved. (9-0-2) Absent: Campos, Chu.

### **2.4 Report of the Rules and Open Government Committee – October 1, 2008. Chair Reed, Chairperson**

- (a) Review October 7, 2008 Draft Agenda.
- (b) Addition of new items to the October 14, 2008: Meeting cancelled.
- (c) Assign "Time Certain" for convening Redevelopment Agency Agenda.

Documents Filed: Report of the Rules and Open Government Committee of October 1, 2008.

Action: The Rules and Open Government Committee report and actions of October 1, 2008, were approved. (9-0-2) Absent: Campos, Chu.

### **2.5 Approval of amendments to two Master Agreements and related budget actions.**

#### **Recommendations:**

- (a) Approval of the second amendment to the Master Agreement with HMH Engineers, Inc., in the amount of \$50,000 for a contract total not to exceed \$150,000, for construction management services with no change to the term of the agreement; and,

*(Item continued on the next page)*

## 2 CONSENT CALENDAR

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(Cont'd)

- 2.5 (b) Approval of the second amendment to the Master Agreement with TRC Engineers, Inc., in the amount of \$100,000 for a total contract amount not to exceed \$200,000, for geotechnical and environmental services with no change to the term of the agreement; and,
- (c) Adoption of a resolution adjusting the Agency's FY 2008-09 Adopted Capital Budget, adding \$150,000 to the Project Support Studies project line in the Merged Redevelopment Area and amending the FY 2008-2009 Agency appropriations resolution.

CEQA: Not a project. [MERGED]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 16, 2008, recommending (a) approval of the second amendment to the Master Agreement with HMH Engineers, Inc. and (b) approval of the second amendment to the Master Agreement with TRC Engineers, Inc., and (c) adoption of a resolution adjusting the Agency's FY 2008-09 Adopted Capital Budget, adding \$150,000 to the Project Support Studies project line in the Merged Redevelopment Area and amending the FY 2008-2009 Agency appropriations resolution.

Action: The Redevelopment Agency Board approved the second amendment to the Master Agreement with HMH Engineers, Inc., and the second amendment to the Master Agreement with TRC Engineers, Inc. Agency Resolution 5864 adopted. (9-0-2) Absent: Campos, Chu.

### 2.6 Approval the Agency's Identity Theft Prevention Program.

**Recommendation:** Adoption of a resolution approving the Agency's Identity Theft Prevention Program to comply with regulations issued by the Federal Trade Commission pursuant to the Fair and Accurate Credit Transactions Act of 2003 and designation of the Executive Director's Office to provide oversight of the Identity Theft Prevention Program.

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 16, 2008, recommending approval of the Agency's Identity Theft Prevention Program and designation of the Executive Director's Office to provide oversight of the Identity Theft Prevention Program.

Action: Agency Resolution 5865 adopted. (9-0-2) Absent: Campos, Chu.

## 2 CONSENT CALENDAR

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### 2.7 Approval of a revision to the Agency's Conflict of Interest Code

**Recommendation:** Adoption of a resolution approving the Agency's revised Conflict of Interest Code.

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 16, 2008, recommending adoption of a resolution approving the Agency's revised Conflict of Interest Code.

Action: Agency Resolution 5866 adopted. (9-0-2) Absent: Campos, Chu.

## 3 GENERAL

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### 3.1 Presentation of the Quarterly Projects Status Report.

**Recommendation:** Acceptance of the Redevelopment Agency's Quarterly Projects Status Report for the First Quarter, FY 2008-09.

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 16, 2008, recommending acceptance of the First Quarter, FY 2008-09 Projects Status Report.

Action: The Report was accepted. (9-0-2) Absent: Campos, Chu.

### 3.2 Acceptance of the final report of The Alameda NBD Parking Study.

**Recommendation:** Acceptance of the final report of The Alameda Neighborhood Business District Parking Study prepared by Fehr & Peers Transportation Consultants. [THE ALAMEDA NBD]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 16, 2008, recommending acceptance of the final report of The Alameda NBD Parking Study.

Public Comments: Larry Clark spoke in support of Item 3.1.

Action: The Report was accepted. (10-0-1) Absent: Campos.

## 4 NEIGHBORHOOD IMPROVEMENT STRATEGIES

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## 5 HOUSING

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## 6 PUBLIC FACILITIES AND SPACES

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### 6.1 Approval of a Parking Lot Maintenance Agreement for Agency owned property at 938 The Alameda with the Billy DeFrank Community Center.

**Recommendation:** Approval of a Parking Lot Maintenance Agreement for Agency owned property at 938 The Alameda with the Billy DeFrank Community Center, providing the Center with exclusive use of six parking spaces in the lot at Cleaves Avenue and The Alameda with the Center responsible for regular and routine upkeep of the entire parking lot and the payment of utilities associated with parking lot lighting for an agreement period of ten years. CEQA: Exempt. File No. PPP08-239. [THE ALAMEDA NBD]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 16, 2008, recommending approval of a Parking Lot Maintenance Agreement for Agency owned property at 938 The Alameda with the Billy DeFrank Community Center. Email from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 28, 2008, providing a Summary of the Billy De Frank Parking Lot Maintenance Agreement.

Public Comments: Larry Clark and Betty Slater spoke in opposition to Item 6.1. Aejaie Sellers spoke in support of Item 6.1.

Action: The Redevelopment Agency Board approved the Parking Lot Maintenance Agreement with the Billy DeFrank Community Center for Agency owned property at 938 The Alameda. (10-0-1) Absent: Campos.

## 7 PRIVATE DEVELOPMENT

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### 7.1 Approval for the substitution of Khanna Enterprises as the hotel and restaurant operator at the Hotel Montgomery.

**Recommendation:** Adoption of a resolution approving the substitution of Khanna Enterprises as the Hotel and Restaurant Operator at the Hotel Montgomery located at 211 South First Street, and authorizing the Executive Director to negotiate and execute any documents reasonably necessary to implement the substitution. [MERGED]

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## 7 PRIVATE DEVELOPMENT

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*(Cont'd)*

- 7.1 Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 16, 2008, recommending adoption of a resolution approving the substitution of Khanna Enterprises as the Hotel and Restaurant Operator at the Hotel Montgomery and authorizing the Executive Director to negotiate and execute any documents reasonably necessary to implement the substitution.

Action: Agency Resolution 5867 adopted. (10-0-1) Absent: Campos.

## 8 JOINT REDEVELOPMENT AGENCY/COUNCIL

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*Item 9.1 on the City Council's Agenda relating to "acquisition and rehabilitation of a multi-service community resource center," was heard during the Council meeting that began at 1:30 p.m. today.*

**The City Council convened at 5:12 p.m. to consider Items 8.1 – 8.2 in a Joint Session.**

- 8.1 **Approval of an agreement with the San Jose Conservation Corps & Charter School for the creation of a Smart Start Center at 1560 Berger Drive.**

**Recommendations:**

- (a) Adoption of a resolution by the Redevelopment Agency Board finding that creation of a Smart Start Center at 1560 Berger Drive will be of Primary Benefit to the Rincon de Los Esteros Redevelopment Project Area.
- (b) Redevelopment Agency and City Council approval of an agreement with the San Jose Conservation Corps & Charter School, a California Non-Profit Corporation, in the amount of \$600,000, for improvements to the property located at 1560 Berger Drive for the creation of a Smart Start Center providing 82 childcare spaces to be operated under Smart Start San Jose standards.

CEQA: Mitigated Negative Declaration, File No. CP06-004. [RINCON DE LOS ESTEROS] (Deferred from 10/21/08, City Council Agenda, Item 9.1)

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## **8 JOINT REDEVELOPMENT AGENCY/COUNCIL**

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*(Cont'd)*

- 8.1** Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes and City Manager Debra Figone, dated October 16, 2008, recommending: (a) adoption of a resolution by the Redevelopment Agency Board finding that creation of a Smart Start Center at 1560 Berger Drive will be of Primary Benefit to the Rincon de Los Esteros Redevelopment Project Area; and (b) Redevelopment Agency and City Council approval of an agreement with the San Jose Conservation Corps & Charter School for improvements to the property located at 1560 Berger Drive.

Action: Agency Resolution 5868 adopted. The Redevelopment Agency and City Council approved the agreement with the San Jose Conservation Corps & Charter School for improvements to the property located at 1560 Berger Drive. (10-0-1)  
Absent: Campos.

- 8.2** **Approval of actions related to the development of market rate housing on the North San Pedro Housing Project site.**

**Recommendation:**

- (a) Redevelopment Agency Board approval of an assignment of the Disposition And Development Agreement (DDA) from the Olson Company to Intracorp San Francisco (name changed to North San Pedro Townhomes, LLC); and,
- (b) Adoption of a resolution by the City Council approving the sale of certain sites located on Agency-owned property generally located in the blocks bounded by Highway 87 to the west, West Saint James Street to the south, North Market Street to the east and a Union Pacific Railroad right of way to the north to Intracorp, accepting the 33433 Summary Report and Re-Use Valuation, and finding that the sale of the property will assist in the elimination of blight, is consistent with the Implementation Plan for the Julian Stockton 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 DDA; and,

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## 8 JOINT REDEVELOPMENT AGENCY/COUNCIL

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*(Cont'd)*

- 8.2 (c) Adoption of a resolution by the Redevelopment Agency Board approving an Amended and Restated Disposition and Development with Intracorp San Francisco (name changed to North San Pedro Townhomes, LLC) and authorizing the Executive Director to execute ancillary documents contemplated by the DDA, to close escrow 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 and as reasonably necessary to conform to lender requirements; and,
- (d) Adoption of a resolution by the City Council approving the sale of certain sites located on Agency-owned property generally located in the blocks bounded by Highway 87 to the west, West Saint James Street to the south, North Market Street to the east and a Union Pacific Railroad right of way to the north, to Barry Swenson Builder (Swenson), accepting the 33433 Summary Report and Re-Use Valuation and finding that the sale of the property will assist in the elimination of blight, is consistent with the Implementation Plan for the Julian-Stockton 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; and,
- (e) Adoption of a resolution by the Redevelopment Agency Board approving an Amended and Restated Disposition and Development Agreement with Swenson and authorizing the Executive Director to execute ancillary documents contemplated by the DDA, to close escrow 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 and as reasonably necessary to conform to lender requirements.

CEQA: Resolution No: 72170, File no GPT03-03-01a and GP03-03-01b  
Brandenburg Mixed Use Project/ North San Pedro Housing Sites. [JULIAN-STOCKTON]

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## 8 JOINT REDEVELOPMENT AGENCY/COUNCIL

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*(Cont'd)*

- 8.2 Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes and City Manager Debra Figone, dated October 14, 2008, recommending: (a) Agency Board approval of an assignment of the DDA from the Olson Company to Intracorp San Francisco; and (b) adoption of a resolution by the City Council approving the sale of certain sites located on Agency-owned property to Intracorp San Francisco, acceptance of the 33433 Summary Report and Re-Use Valuation, and finding that the sale of the property will assist in the elimination of blight, is consistent with the Implementation Plan for the Julian Stockton 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 DDA; and, (c) Agency Board approval of an Amended and Restated DDA with Intracorp San Francisco and authorization for the Executive Director to execute ancillary documents contemplated by the DDA, to close escrow 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 and as reasonably necessary to conform to lender requirements; (d) adoption of a resolution by the City Council approving the sale of certain sites located on Agency-owned property to Barry Swenson Builder (Swenson), accepting the 33433 Summary Report and Re-Use Valuation and finding that the sale of the property will assist in the elimination of blight, is consistent with the Implementation Plan for the Julian-Stockton 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; and, (e) Agency Board approval of an Amended and Restated DDA with Swenson and authorization for the Executive Director to execute ancillary documents contemplated by the DDA, to close escrow 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 and as reasonably necessary to conform to lender requirements. Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 21, 2008, regarding Intracorp San Francisco's creation of a new affiliated entity, North San Pedro Townhomes, LLC, to develop the project.

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## **8 JOINT REDEVELOPMENT AGENCY/COUNCIL**

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- 8.2 Action: Redevelopment Agency Board approved an assignment of the DDA from the Olson Company to North San Pedro Townhomes, LLC. Council Resolutions 74561 and 74562 adopted. Agency Resolutions 5869 and 5870 adopted. (10-0-1)  
Absent: Campos.

**The City Council portion of the meeting adjourned at 5:13 p.m.**

- **Adjournment**  
**The Redevelopment Agency Board adjourned at 5:13 p.m.**

**ATTEST:**

  

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**HARRY S. MAVROGENES, SECRETARY**