



# REDEVELOPMENT AGENCY BOARD

## MINUTES

**OCTOBER 26, 2010**

PETE CONSTANT  
ASH KALRA  
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  
ROSE HERRERA  
JUDY CHIRCO  
NANCY PYLE

DISTRICT 6  
DISTRICT 7  
DISTRICT 8  
DISTRICT 9  
DISTRICT 10

## Call to Order and Roll Call

**9:30 a.m.** - Closed Session, Council Chambers Conference Room W133

**Absent: None.**

**4:54 p.m.** - Regular Session, Council Chambers, City Hall

**Absent: None.**

- Open Forum
- Closed Session Report
- Orders of the Day

**The Orders of the Day were approved. (11-0)**

## **1 CEREMONIAL ITEMS**

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None

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

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**No Redevelopment-related actions were discussed on the City Council agenda today.**

**The City Council convened at 4:54 p.m. to consider Items 8.1 – 8.3 in a Joint Session.**

### **8.1 City Council and Redevelopment Agency Board approval of the Mayor's Redevelopment Budget Message.**

**Recommendation:** City Council and Redevelopment Agency Board consideration and approval of the Mayor's Redevelopment Agency FY 2010-11 Budget Message. (Mayor)

Documents Filed: Memorandum from Mayor Chuck Reed, dated October 15, 2010, recommending that the Redevelopment Agency Board and City Council approve the proposed Fiscal Year 2010-2011 Redevelopment Agency Capital and Operating Budget and Three-Year Spending Plan, as amended in his Budget Message and recommending: A phased capital improvement plan, a mid-year budget review in February 2011, and a continued restriction on the Executive Director's signature authority on new capital items to no more than \$50,000 per project unless approved by the Agency Board for projects that generate tax increment, General Fund revenues, and jobs.

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

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*(Cont'd)*

- 8.1** Public Comments: Corazon Tomalinas, Greg Lippman and Pat Sausedo spoke on Item 8.1.

Action: Mayor Reed recommended allocation of \$50,000 for NBD marketing in the first year of the Agency budget as a change to his Budget Message. Board member Campos moved and Board member Nguyen seconded approval of the Mayor's Redevelopment Agency Budget Message, amending the motion to drop Budget Directive #9 pertaining to the Office of Economic Development and the Housing Department. The City Manager and Executive Director were directed to evaluate the consolidation of Agency and City functions such as Human Resources, Finance, Communications and Clerk, as specified in Budget Directives #6 and #7 and provide a preliminary analysis on December 7<sup>th</sup> on those consolidation actions which they agree: should be taken, should not be taken, need further analysis; and those actions on which they disagree. The Budget Message was approved, as amended, by the City Council and Redevelopment Agency Board. (7-0-4) Noes: Reed, Constant, Oliverio, Herrera.

- 8.2** **Approval of the Agency's FY 2010-11 Capital and Operating Budgets.**

Recommendations: Approval by the Redevelopment Agency Board of the revised FY 2010-11 Capital and Operating Budgets and the Three-Year Spending Plan ending FY 2012-13 for the Redevelopment Agency of the City of San Jose.  
**[MERGED]**

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 22, 2010, recommending that the Redevelopment Agency Board approve the revised FY 2010-11 Redevelopment Agency Capital and Operating Budgets and Three-Year Spending Plan.

Action: The revised FY 2010-11 Redevelopment Agency Capital and Operating Budgets and Three-Year Spending Plan were approved. (9-0-2) Noes: Constant, Liccardo.

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

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### **8.3 Authorization to execute Amended Reimbursement Agreements with JP Morgan Chase Bank, NA, and related actions.**

#### **Recommendations:**

- (a) Adoption of a resolution by the Redevelopment Agency Board:
  - (1) Authorizing the execution and delivery of a Second Amendment to Reimbursement Agreements in substantially final form with JP Morgan Chase Bank, NA, to extend the terms of letters of credit relating to the Agency's Merged Area Redevelopment Project Taxable Revenue Bonds, 2003 Series A and Merged Area Redevelopment Project Revenue Bonds, 2003 Series B and the Agency's Merged Area Redevelopment Project Revenue Bonds, 1996 Series A & B; requiring a liquidity reserve fund of \$5,000,000 for the 1996 and/or 2003 Bonds, and imposing certain other restrictions on the issuance of new debt obligations;
  - (2) Authorizing the execution and delivery of a Letter Agreement regarding fees and charges for the various Letters of Credit in substantially final form provided by JP Morgan under the Reimbursement Agreements for the 1996 Bonds and the 2003 bonds in the amount of 1.95% to 2.55% of the aggregate outstanding amounts of the Letters of Credit, depending on the Agency's underlying ratings;
  - (3) Authorizing the Executive Director and his designee to negotiate and execute a new Custodian Agreement with US Bank that will facilitate the administration of future debt service; and,
  - (4) Authorizing the Executive Director or his designee to take any actions and execute any and all documents necessary to complete this transaction, including but not limited to the opening of a bank account with JPMorgan Chase Bank.
- (b) Adoption of a resolution by the Redevelopment Agency Board approving an adjustment to the FY 2010-11 Adopted Capital Budget Financing/Non-Project Costs to add a \$5,000,000 liquidity reserve to be held by the Bank in the event of a draw on the 1996 or 2003 Bonds Series A and B Letters of Credit and amending the FY 2010-11 Agency appropriations resolution, as detailed in the Mayor's Budget Message dated October 15, 2010.

CEQA: Not a project. [MERGED]

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

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*(Cont'd)*

- 8.3** Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated October 21, 2010, recommending that the Redevelopment Agency Board: a) adopt a resolution authorizing the execution and delivery of a second amendment to reimbursement agreements relating to the Agency's Merged Area Redevelopment Project taxable revenue bonds, 2003 Series A (subordinate tax allocation) and 2003 Series B (subordinate tax allocation) and Merged Area Redevelopment Project revenue bonds, 1996 Series A (subordinate tax allocation) and 1996 Series B (subordinate tax allocation); authorizing the execution and delivery of a fee letter relating thereto; authorizing the opening of a bank account with JPMorgan Chase Bank, NA; and approving related documents, certificates and actions and b) adopt a resolution approving an adjustment to the FY 2010-11 Capital Budget and amending the FY 2010-11 appropriations resolution.

Action: Agency Resolutions No. 5987 and 5988 were adopted. (11-0)

**The City Council portion of the meeting adjourned at 5:40 p.m.**

## **2 CONSENT CALENDAR**

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### **2.1 Approval of Minutes.**

- (a) Approval of Redevelopment Agency Minutes for the Regular meeting of October 5, 2010.

Documents Filed: Regular minutes of October 5, 2010.

Action: The Redevelopment Agency minutes of October 5, 2010 were approved. (11-0)

## **2 CONSENT CALENDAR**

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### **2.2 Approval of Council/Board Committee Reports.**

- (a) Report of the Rules and Open Government Committee – October 6, 2010.  
(Mayor)

Documents Filed: Reports of the Rules and Open Government Committee meeting of October 6, 2010.

Action: The report of the Rules and Open Government Committee meeting for October 6, 2010, was approved. (11-0)

## **3 GENERAL**

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None

## **4 NEIGHBORHOOD IMPROVEMENT STRATEGIES**

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None

## **5 HOUSING**

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None

## **6 PUBLIC FACILITIES AND SPACES**

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None

## **7 PRIVATE DEVELOPMENT**

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**None**

- **Adjournment**  
**The Redevelopment Agency Board adjourned at 5:47 p.m.**

**ATTEST:**



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**HARRY S. MAVROGENES, SECRETARY**