



REDEVELOPMENT AGENCY BOARD

MINUTES

JUNE 26, 2007

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Welcome to the San Jose Redevelopment Agency's Board meeting. Our Board is composed of the ten City Council Members and the Mayor, who serve as our Boardmembers and Chairperson.

If you wish to address the Redevelopment Agency about an issue that is not on the agenda, you may speak during the "Open Forum" during the City Council's meeting. The Council/Agency is unable to take action on issues presented during "Open Forum."

The Agenda following this page contains a Consent Calendar section for routine business items requiring Redevelopment Agency approval, as well as general business items arranged corresponding to the Agency's Critical Service Areas. The Critical 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 Critical 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 provide input on agenda items by filling out a **BLUE Speaker's Card** and submitting it to the City Clerk or Agency's Clerk during the meeting. If you wish to speak to the Agency, some tips to help you are noted below:

- **Submit a speaker's card before the meeting and before the item is heard.** This will ensure that your name is called for the items you wish to address, and ensure 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 Agency from the speaker's podium.
- 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.

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 generally meets on Tuesdays, following the City Council's meeting at 1:30 p.m.

- **Call to Order and Roll Call**
10:58 p.m. - Regular Session, Council Chambers, City Hall
- **Open Forum**
None.
- **Closed Session Report**
None.
- **Orders of the Day**
Item 8.3(a) deferred to August 28, 2007.
The Orders of the Day were approved. (10-0-1) Campos Absent.

1. CEREMONIAL ITEMS

None.

2. CONSENT CALENDAR

2.1 Approval of Board Meeting Minutes.

Recommendation: Approval of Redevelopment Agency Minutes for:

- (a) Regular meeting of May 15, 2007

Documents Filed: Regular minutes of May 15, 2007

Action: The Redevelopment Agency minutes were approved. (10-0-1) Campos Absent.

2.2 Report of the Rules Committee – June 6, 2007.

Chair Reed, Chairperson

- (a) Addition of new items to the June 12, 2007.
- (b) Review June 19, 2007 Draft Agenda.
- (c) Assign “Time Certain” for convening Redevelopment Agency Agenda.

Documents Filed: Report of the Rules Committee of June 6, 2007.

Action: The Rules Committee report and actions of June 6, 2007, were accepted. (10-0-1) Campos Absent.

2. CONSENT CALENDAR

2.3 Approval of the second amendment to the agreement with Earth Tech for monitoring of the Japantown Corporation Yard.

Recommendation: Approval of the second amendment to the agreement with Earth Tech, in the amount of \$141,120 for a total contract amount of \$239,129, for environmental testing, assessment and monitoring on City-owned property known as the Japantown Corporation Yard, generally bounded by 6th, 7th, Jackson, and Taylor Streets, and extending the term by one year to November 3, 2008. CEQA: Exempt. [JAPANTOWN]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated June 14, 2007, recommending approval of the second amendment to the agreement with Earth Tech.

Action: The Redevelopment Agency Board approved the second amendment to the agreement with Earth Tech. (10-0-1) Campos Absent.

2.4 Approval of an amendment to the Property Use Agreement with Artist's Theater Repertory Ensemble.

Recommendations:

- (a) Approval of the first amendment to Property Use Agreement with Artist's Theater Repertory Ensemble (dba Theater on San Pedro Square (TOSPS)) to modify the parameters of the community use of the facility and to establish a security fee to protect the Agency's collateral in the project.
- (b) Adoption of a resolution approving an adjustment to the FY 2006-07 Adopted Capital Budget by reallocating \$36,000 from the Downtown Business Improvement Pool to the Competitive Capital Art Fund project line, in the Merged Redevelopment Area, and amending the FY 2006-2007 Agency appropriations resolution.

CEQA: Exempt. File No. PP07-126 [SNI]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated June 14, 2007, recommending approval of the first amendment to the Property Use Agreement with Artist's Theater Repertory Ensemble, and adoption of a resolution approving an adjustment to the FY 2006-07 Adopted Capital Budget and amending the FY 2006-2007 Agency appropriations resolution.

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2. **CONSENT CALENDAR**

(Cont'd)

2.4 Action: The Redevelopment Agency Board approved the first amendment to the Property Use Agreement with Artist's Theater Repertory Ensemble. Agency Resolution 5771 adopted. (10-0-1) Campos Absent.

2.5 **Approval of OPAs for properties located at 2035-2041 Woodard Road and 2045-2059 Woodard Road.**

Recommendations: Approval of Owner Participation Agreements for two properties in the Union and Camden area of the Neighborhood Business Cluster Redevelopment Project Area with:

- (a) Salvatore Campagna, Lena Campagna and Judith Lopina, owners of the commercial property located at 2035-2041 Woodard Road, in the amount of \$88,385, including a construction contingency amount of \$8,035, for parking lot improvements; and,
- (b) Howard and Jean Spinner, owners of the adjacent commercial building and parking lot located at 2045-2059 Woodard Road, in the amount of \$88,385, including a construction contingency amount of \$8,035, for parking lot improvements.

CEQA: Exempt. File No. PP07-112. **[NEIGHBORHOOD BUSINESS CLUSTER]**

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated June 14, 2007, recommending approval of Owner Participation Agreements with Salvatore Campagna, Lena Campagna and Judith Lopina, owners of the commercial property located at 2035-2041 Woodard Road, and with Howard and Jean Spinner, owners of the adjacent commercial building and parking lot located at 2045-2059 Woodard Road.

Action: The Redevelopment Agency Board approved both Owner Participation Agreements. (10-0-1) Campos Absent.

2. CONSENT CALENDAR

2.6 Approval of an agreement with HMH Engineers for engineering consulting services for a North First Street Plan Line Study.

Recommendation: Approval of an agreement with HMH Engineers, in an amount not to exceed \$150,000, for engineering consulting services associated with the design of a North First Street Plan Line Study in the Rincon de Los Esteros Redevelopment Project Area. CEQA: Exempt. File No. PP07-127 [RINCON DE LOS ESTEROS]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated June 14, 2007, recommending approval of an agreement with HMH Engineers.

Action: The Redevelopment Agency Board approved an agreement with HMH Engineers. (10-0-1) Campos Absent.

3. GENERAL

3.1 Approval of an agreement with the San Jose Downtown Association.

Recommendation: Approval of an agreement with the San Jose Downtown Association, in an amount not to exceed \$525,000, for promotional and marketing services and public space programming for the period July 1, 2007, through June 30, 2008. [MERGED]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated June 14, 2007, recommending approval of an agreement with the San Jose Downtown Association for promotional and marketing services and public space programming.

Action: The Redevelopment Agency Board approved the agreement with the San Jose Downtown Association. (11-0)

4. NEIGHBORHOOD IMPROVEMENT STRATEGIES

None.

5. HOUSING

None.

6. PUBLIC FACILITIES AND SPACES

6.1 Approval of amendments to agreements related to the Edenvale Community Center.

Recommendations:

- (a) Approval of the first amendment to the agreement with Carrier Johnson Architects for architectural services for the Edenvale Community Center, in the amount of \$1,015,240 for a total contract amount not to exceed \$1,315,240, amending the contract terms to include design development drawings, construction documents and bid support; extending the term of the agreement and schedule of performance by 14 months to August 30, 2008; and,
- (b) Approval of the first amendment to the agreement with Gilbane Building Company for pre-construction management services for the Edenvale Community Center, in the amount of \$300,000 for a total contract amount not to exceed \$400,000, amending the contract terms to include design development, construction document and bid phases; extending the term of the agreement and schedule of performance by 14 months to August 30, 2008.

CEQA: Not a project. This agreement is for consultant design services, and upon completion of design development, the project will be the subject of an Initial Study to satisfy the requirements of CEQA. [EDENVALE]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated June 12, 2007, recommending approval of; a) the first amendment to the agreement with Carrier Johnson Architects for architectural services, and b) the first amendment to the agreement with Gilbane Building Company for pre-construction management services.

Action: The Redevelopment Agency Board approved: a) the first amendment to the agreement with Carrier Johnson Architects for architectural services, and b) the first amendment to the agreement with Gilbane Building Company for pre-construction management services. (11-0)

6. PUBLIC FACILITIES AND SPACES

6.2 Awarding of the Parkside Hall Roof Improvements Project contract.

Recommendation: Adoption of a resolution delegating authority to the Executive Director to award a contract to the lowest responsive bidder and authorizing a construction contingency in an amount not to exceed 10% of the contract amount for construction of the Parkside Hall Roof Improvements Project, for a total construction cost not to exceed \$600,000 including the contingency, or to reject all bids if an award cannot be made. CEQA: Exempt. File No. PP07-125. [MARKET GATEWAY]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated June 14, 2007, recommending adoption of a resolution delegating authority to the Executive Director to award a contract to the lowest responsive bidder and authorizing a construction contingency in an amount not to exceed 10% of the contract amount for construction of the Parkside Hall Roof Improvements Project.

Action: Agency Resolution No. 5772 adopted: (11-0)

6.3 Approval of the third amendment to the agreement with Bill Gould Design Art & Architecture for the Starbird Teen Center Project.

Recommendation: Approval of the third amendment to the agreement with Bill Gould Design Art & Architecture for the Starbird Teen Center Project, amending the contract term and schedule of performance to extend the term of the agreement one additional year, through June 30, 2008; and amending the compensation schedule to shift \$5,000 from existing Additional Services funds to Basic Services funds to increase the total compensation for Task 8 - LEED Documentation to \$15,500, for an adjusted total Basic Services compensation amount of \$333,809 and an adjusted total Additional Services compensation amount of \$29,881, and a total contract amount of \$363,690. Exempt, PP05-049. [BLACKFORD SNI]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated June 14, 2007, recommending approval of the third amendment to the agreement with Bill Gould Design Art & Architecture for the Starbird Teen Center Project.

Action: The Redevelopment Agency Board approved the third amendment to the agreement with Bill Gould Design Art & Architecture for the Starbird Teen Center Project. (11-0)

7. PRIVATE DEVELOPMENT

7.1 Authorization for the Executive Director to purchase equipment, furniture, and supplies for the San Jose BioCenter.

Recommendation: Adoption of a resolution by the Redevelopment Agency Board authorizing the Executive Director to purchase miscellaneous equipment, furniture, and supplies related to the operations of the biology, chemistry analytics and common laboratories at the San Jose BioCenter, in a cumulative amount not to exceed \$12,500. CEQA: Not A Project [EDENVALE]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated June 14, 2007, recommending adoption of a resolution authorizing the Executive Director to purchase miscellaneous equipment, furniture, and supplies related to the operations of the biology, chemistry analytics and common laboratories at the San Jose BioCenter.

Action: Agency Resolution No. 5773 adopted. (11-0)

7.2 Approval of an amendment to the Sublease with the San Jose State University Research Foundation to operate the San Jose BioCenter.

Recommendation: Approval of the second amendment to the Sublease and Co-Sponsorship Operating Agreement with the San Jose State University Research Foundation (SJSURF) for operation and management of the San Jose BioCenter, to amend the Sublease to (i) relieve the SJSURF of its obligation to pay the monthly base rent for the BioCenter from September 2006 through June 2008, (ii) require the Agency to pay the monthly base rent during such period, and (iii) require the SJSURF to implement a fundraising strategy for the BioCenter. CEQA: Not a project. [EDENVALE]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated June 14, 2007, recommending approval of the second amendment to the Sublease and Co-Sponsorship Operating Agreement with the San Jose State University Research Foundation for operation and management of the San Jose BioCenter.

Action: The Redevelopment Agency Board approved the second amendment to the Sublease and Co-Sponsorship Operating Agreement with the San Jose State University Research Foundation for operation and management of the San Jose BioCenter. (11-0)

8. JOINT REDEVELOPMENT AGENCY/COUNCIL

The City Council convened at 11:01 p.m. to consider Items 8.1 – 8.3 in a Joint Session.

Items 9.1 – 9.4 on the City Council's Agenda related to the "Investment Management Activities," "FY 2007-08 Cooperation Agreements," and the "FY 2007-08 Appropriations Resolution," were heard and action taken during the Council meeting that began at 1:30 p.m. today.

8.1 Approval of an Amended and Restated Cooperation Agreement with the Mexican Heritage Corporation.

Recommendation: Redevelopment Agency Board and City Council approval of the Amended and Restated Cooperation Agreement with the Mexican Heritage Corporation, related to a \$1,000,000 grant from the State of California Historical and Cultural Resources Preservation Opportunity Grant Program, clarifying the roles and responsibilities of each party in bidding and awarding contracts and for distribution of funds from the State grant program. CEQA: Not a project. [ALUM ROCK]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes and City Manager Les White, dated June 14, 2007, recommending approval of the Amended and Restated Cooperation Agreement with the Mexican Heritage Corporation, related to a \$1,000,000 grant from the State of California Historical and Cultural Resources Preservation Opportunity Grant Program.

Action: The Redevelopment Agency Board and City Council approved the Amended and Restated Cooperation Agreement with the Mexican Heritage Corporation. (11-0)

8.2 Approval of an Exclusive Negotiations Agreement for development of the Japantown Corporation Yard and Parking Lot project.

Recommendation: City Council and Redevelopment Agency Board approval of an Exclusive Negotiations Agreement with First Community Housing and Williams & Dame, for the development of the Japantown Corporation Yard and Parking Lot project generally located at Sixth and Taylor Streets, with a term through December 26, 2008. CEQA: Exempt. File No. PP-07-086. [JAPANTOWN]

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8. JOINT REDEVELOPMENT AGENCY/COUNCIL

(Cont'd)

- 8.2** Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes and City Manager Les White, dated June 14, 2007, recommending approval of an Exclusive Negotiations Agreement with First Community Housing and Williams & Dame, for the development of the Japantown Corporation Yard and Parking Lot project.

Public Comments: Roy Hirabayashi, Don Gagliardi, William Lambsan, and Jerry Hiura spoke in support of Item 8.2.

Action: The Redevelopment Agency Board and City Council approved the Exclusive Negotiations Agreement with First Community Housing and Williams & Dame, with direction that staff, in negotiating the Disposition and Development Agreement, undertake to incorporate those elements of the previously established community amenities priorities that apply with respect to the Japantown Corporation Yard and Parking Lot project, which priorities are summarized as: (1) develop the Corporation Yard as a catalyst to revitalize Japantown, (2) find a permanent location for San Jose Taiko, (3) establish a senior wellness and youth center, (4) implement a comprehensive Japantown retail strategy, (5) implement a parking strategy, (6) ensure historical and cultural preservation, and 7) revisit the Jackson Taylor strategy. (11-0)

- 8.3** **City Council and Redevelopment Agency Board actions related to agreements, amendments or termination of the following child care facility agreements.**

Recommendations:

- (a) City Council and Redevelopment Agency Board approval of an agreement with Charities Housing for child care, providing for an Agency contribution of \$500,000 toward Charities Housing's renovation of a portion of the Paseo Senter Plaza housing development and for Charities Housing's covenants to operate the renovated portions with Smart Start operating standards; and,
- (b) City Council and Redevelopment Agency Board approval of an agreement with MACSA for child care, providing an Agency contribution of \$500,000 towards MACSA's renovation of a portion of the MACSA Youth Center and for MACSA's covenants to operate the renovated portions with Smart Start operating standards; and,

(Item continued on the next page)

8. JOINT REDEVELOPMENT AGENCY/COUNCIL

(Cont'd)

- 8.3 (c) City Council and Redevelopment Agency Board approval of an amendment to the terms of the agreement with SJB (formerly San Juan Bautista) Child Care Development pertaining to the Child Development Center at Terrylin Avenue at no additional cost; and,
- (d) City Council and Redevelopment Agency Board approval to terminate the agreement with Kidango, in the amount of \$410,670, pertaining to child development services at Arbuckle Elementary; and,
- (e) City Council and Redevelopment Agency Board approval to terminate the agreement with SJB (formerly San Juan Bautista) Child Care Development, in the amount of \$150,000, for the Child Development Center located at Cassel Elementary School.

CEQA: Not a project [MERGED]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes and City Manager Les White, dated June 14, 2007, recommending a) approval of an agreement with Charities Housing for child care, b) approval of an agreement with MACSA for child care, providing an Agency contribution of \$500,000 towards MACSA's renovation of a portion of the MACSA Youth Center, c) approval of an amendment to the terms of the agreement with SJB Child Care Development pertaining to the Child Development Center at Terrylin Avenue, d) approval to terminate the agreement with Kidango pertaining to child development services at Arbuckle Elementary, and e) approval to terminate the agreement with SJB Child Care Development for the Child Development Center located at Cassel Elementary School.

Action: The Redevelopment Agency Board and City Council deferred the agreement with Charities Housing for child care to August 28, 2007. The Redevelopment Agency Board and City Council approved the agreement with MACSA for child care and the Redevelopment Agency's contribution for renovation of a portion of the MACSA Youth Center and approved an amendment to the terms of the agreement with SJB Child Care Development pertaining to the Child Development Center at Terrylin Avenue. The Redevelopment Agency Board and City Council terminated the agreement with Kidango pertaining to child development services at Arbuckle Elementary, and terminated the agreement with SJB Child Care Development for the Child Development Center located at Cassel Elementary School. (11-0)

The City Council portion of the meeting adjourned at 11:10 p.m.

- **Adjournment**
The Redevelopment Agency Board adjourned at 11:10 p.m.

ATTEST:



HARRY S. MAVROGENES, SECRETARY