



REDEVELOPMENT AGENCY MINUTES

SEPTEMBER 11, 2007

PETE CONSTANT
FORREST WILLIAMS
SAM 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**
4:29 p.m. - Regular Session, Council Chambers, City Hall
- **Open Forum –**
None.
- **Closed Session Report**
None.
- **Orders of the Day**
The Orders of the Day were approved. Item 7.1 “Facade Agreement for St. Claire Hotel” was deferred to October 23, 2007, and Item 8.1 “Cirque du Soleil” was dropped. (11-0)

1 CEREMONIAL ITEMS

None

2 CONSENT CALENDAR

2.1 Report of the Rules Committee – August 15, 2007.

Chair Reed, Chairperson

- (a) Addition of new items to the August 21, 2007, Meeting Cancelled.
- (b) Review August 28, 2007 Draft Agenda.
- (c) Assign “Time Certain” for convening Redevelopment Agency Agenda.

Documents Filed: Report of the Rules and Open Government Committee of August 15, 2007.

Action: The Rules and Open Government Committee report and actions of August 15, 2007, were accepted. (11-0)

2.2 Report of the Public Safety, Finance and Strategic Support Committee – August 16, 2007.

Chair Nguyen, Chairperson

“d. Redevelopment Agency Monthly Financial Reports for June 2007.”

Documents Filed: Report of the Public Safety, Finance and Strategic Support Committee, of August 16, 2007, with the Agency’s Monthly Financial Reports for June 2007 attached.

Action: The Public Safety, Finance and Strategic Support Committee report and actions of August 16, 2007, were accepted. (11-0)

3 GENERAL

None

4 NEIGHBORHOOD IMPROVEMENT STRATEGIES

None

5 HOUSING

5.1 Approval of the award of a construction contract to FERMA Corporation for demolition of the former Stephen's Meats building.

Recommendation: Adoption of a resolution approving the award of a construction contract to FERMA Corporation, the low bidder, in the amount of \$182,700, for demolition of the former Stephen's Meats building located at 105 S. Montgomery Street, and authorizing a construction contingency in the amount of \$36,540. CEQA: Addendum to the Final Environmental Impact Report on the Baseball Stadium in the Diridon/Arena Area, February 28, 2007, Resolution No. 07-009; File No. H07-029 [MERGED]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated August 30, 2007, recommending adoption of a resolution approving award of a construction contract to FERMA Corporation for demolition of the Stephen's Meats building. Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated September 10, 2007, recommending staff to work with the Alameda Business Association and the Shasta Hanchett Park Neighborhood Association to develop a parking plan that will protect the neighborhoods and assist the business district. Emailed letter dated September 10, 2007, from Edward Janke, Chair Historic Landmarks Commission opposing demolition of the building at this time, requesting preservation of the original sign, and that the City explore techniques for on-site preservation under various circumstances, including site development. Emailed public comments dated September 7 and 10, 2007, from Jean Dresden regarding preservation of the Dancing Pig sign.

Action: Agency Resolution No. 5781 adopted. (10-0-1) Absent: Constant.

6 PUBLIC FACILITIES AND SPACES

6.1 Approval of an amendment to the lease agreement for office space at 111 West St. John, and an amendment to the sublease with the SDForum.

Recommendation:

- (a) Approval of the Third Amendment to the Master Lease for office space at 111 W St. John St., Suite 200, with Community Towers I, LLC; Community Towers II, LLC; Community Towers III, LLC; and Community Towers IV, LLC, each a Delaware limited liability company, for two years at \$158,382 for the first year and \$164,717 for the second year for a total amount not to exceed \$340,000 including Common Area Management fees, with three options to extend the lease for a period of 12 months each at 95% of fair market value; and,
- (b) Approval of the Second Amendment to the Sublease of the Premises with the SDForum to extend the term and provide additional Agency oversight of operations.

CEQA: Not a project. [MERGED]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated August 30, 2007, recommending approval of the Third Amendment to the Master Lease for office space at 111 W St. John St., Suite 200, and approval of the Second Amendment to the Sublease of the Premises with the SDForum.

Public Comments: Susan Lucas-Conwell spoke in support of Item 6.1.

Action: The Redevelopment Agency Board approved the Third Amendment to the Master Lease for office space at 111 W St. John St., Suite 200, and the Second Amendment to the Sublease of the Premises with the SDForum. (10-0-1) Absent: Constant.

7 PRIVATE DEVELOPMENT

7.1 Approval of a Facade Improvement Program Agreement for the Sainte Claire Hotel at 302 South Market Street.

Recommendation: Approval of a Facade Improvement Program Agreement, in the amount of \$300,000, including a construction contingency in the amount of \$30,000, with Sainte Claire Hotel, LLC, for the Sainte Claire Hotel located at 302 South Market Street. CEQA: Exempt. File No. HPA01-007-01. [MARKET GATEWAY] (Deferred 8/28/07, Item 7.1)
[Deferred to October 23, 2007]

8 JOINT REDEVELOPMENT AGENCY/COUNCIL

Item 9.1 on the City Council Agenda, related to "Pilot Strip Mall," was heard and action taken during the Council meeting at 1:30 p.m.

8.1 Direction to the Executive Director and City Manager to enter into agreements to enable Cirque du Soleil to occupy the former San Jose Water Company property located at Santa Clara Street and Delmas Avenue, and related fiscal actions.

Recommendation:

- (a) Adoption of a resolution by the Agency Board:
 - (1) Directing the Executive Director to negotiate agreements necessary to enable Cirque du Soleil to occupy the former San Jose Water Company property located on Santa Clara Street and Delmas Avenue, including property use agreements with Adobe Systems as owners of the property and property use agreements with Cirque du Soleil, and utility relocation agreements with PG&E, AT&T, and Comcast Cable.
 - (2) Adding \$400,000 to the 1st Act Small Wonders Program new project line in the Merged Redevelopment Area, and amending the FY 2007-2008 Agency appropriations resolution.

(Item continued on the next page)

8. JOINT REDEVELOPMENT AGENCY/COUNCIL

(Cont'd)

- 8.1 (b) Adoption of a resolution by the City Council directing the City Manager to negotiate agreements necessary to enable Cirque du Soleil to occupy the former San Jose Water Company property, including the waiver of parking fees for Adobe Systems at the Market Street Garage.

CEQA: Not a Project. The negotiated agreements and Planned Development Permit will undergo environmental review prior to any Agency or City approval actions. [MERGED] (Deferred 8/28/07, Item 8.2)

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated August 16, 2007, recommending adoption of a resolution by the Agency Board directing the Executive Director to negotiate agreements necessary to enable Cirque du Soleil to occupy the former San Jose Water Company property, adding \$400,000 to a new project line in the Merged Redevelopment Area, and amending the FY 2007-2008 Agency appropriations resolution, and recommending adoption of a resolution by the City Council directing the City Manager to negotiate agreements necessary to enable Cirque du Soleil to occupy the former San Jose Water Company property.

Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated September 7, 2007, recommending that support of a site location downtown for Cirque du Soleil and all related actions be dropped.

Action: Dropped. (11-0)

Redevelopment Agency Board recessed at 4:35 p.m.

8. JOINT REDEVELOPMENT AGENCY/COUNCIL

Redevelopment Agency Board reconvened at 7:15 p.m. for a joint public hearing with the City Council.

8.2 Public Hearing on the Agency's FY 2007-2008 Capital Budget and 2008-2012 Capital Improvement Program.

Recommendation: Joint Public Hearing on the Redevelopment Agency's Proposed FY 2007-2008 Capital Budget and 2008-2012 Capital Improvement Program.

Documents Filed: The proposed Redevelopment Agency FY 2007-08 Capital Budget and the FY 2008-2012 Capital Improvement Program, dated August 31, 2007.

Mayor Reed opened the Public Hearing.

Public Comments: Robert Brocato (Christ the King Church), Tim Kirby (Early Care/Education Commission), Judy Purrington and Ash Kalra spoke in support of the Agency's proposed budget.

Mayor Reed closed the public hearing.

City Council adjourned at 7:22 p.m.

- **Adjournment**
The Redevelopment Agency Board adjourned at 7:22 p.m.

ATTEST:



HARRY S. MAVROGENES, SECRETARY