

REDEVELOPMENT AGENCY BOARD

SYNOPSIS

June 11, 2002

LINDA J. LEZOTTE
FORREST WILLIAMS
CINDY CHAVEZ
CHUCK REED
NORA CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

RON GONZALES CHAIR

KEN YEAGER
GEORGE SHIRAKAWA, JR.
DAVID CORTESE
JOHN DIQUISTO
PAT DANDO

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT10



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

This Agenda contains both a Consent Calendar section for routine business items requiring Board approval, and general business items arranged to correspond to the Agency's Core Service Areas. The Core 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 Core 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 speak to the Board about items on the agenda by submitting a Speaker's Card to the Agency's Clerk seated at the front table. If you wish to address the Board about an issue that is not on the Board agenda, you may speak during the "Open Forum" during the City Council's meeting. The Board is unable to discuss or take action on issues presented during Open Forum. According to State Law (the Brown Act), items must first be noticed on the agenda before any discussion or action. Tips for speaking to the Board:

- **Please submit a Blue Speaker's Card before the meeting or before the item is heard.** This ensures that your name is called for item(s) you wish to address, and that 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 Board from the large podium located to the left of the Clerk's table.
- 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.
- There are three lights to assist you with tracking your speaking time. They are located to the far right of the podium. The green light turns on when you begin speaking; the yellow light turns on when you have 30 seconds left; and, the red light comes on when your speaking time is up.

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's Board meets on Tuesdays, following the City Council meeting at 1:30 p.m. Agendas of future meetings are posted immediately outside City Hall's main entrance and at: www.sjredevelopment.org.

CALL TO ORDER AND ROLL CALL

Mayor Ron Gonzales called the meeting to order at 2:28 p.m.

**PRESENT: GONZALES, CAMPOS, CHAVEZ, CORTESE, DANDO,
DIQUISTO, LEZOTTE, REED, SHIRAKAWA, JR., YEAGER,
WILLIAMS.**

ORDERS OF THE DAY

Items 7.1-7.3 are to be considered in a joint Redevelopment Agency Board/City Council session.

See Items 10.1-10.3 on the City Council Agenda for description of any City Council agenda items relating to the Redevelopment Agency.

Item 7.2, Change to read:

“(a) Adoption of resolutions:

- (1) By the City Council and Redevelopment Agency Board authorizing the City Manager and Redevelopment Agency Executive Director to negotiate and execute the Second Amendment to the Cooperation Agreement for the Northside Community Center, authorizing the Agency to fund an additional amount of \$1,748,313, for total Agency funding of \$5,046,313; and,
- (2) By the City Council authorizing the City Manager, or designee, to negotiate and execute amendments to the Master Developer Agreement with BRIDGE Housing Corporation on behalf of the City related to the development of the Northside Community Center to reflect the additional funds in the Second Amendment to the Cooperation Agreement, and a Guaranteed Maximum Price for the Community Center; and,”

Item 7.3, to be added:

“7.3 Approval of various actions related to the Proposed Strong Neighborhoods Initiative Redevelopment Plan and the Merger of the Strong Neighborhoods Initiative Redevelopment Plan into the Existing San Jose Merged Project Area.

ORDERS OF THE DAY (Continued)

Recommendation: Public Hearing and:

- (a) Adoption of resolutions by the City Council and Redevelopment Agency Board approving the report accompanying the Proposed Strong Neighborhoods Initiative Redevelopment Plan and Merger.
- (b) Approval of an ordinance by the City Council adopting the proposed Strong Neighborhoods Initiative Redevelopment Plan with the recommended amendment to Section 306 as submitted by the Project Area Committee, which addresses community concerns about the use of eminent domain, and establishing Project Area boundaries from among the following alternative boundary options, and making certain findings:
 - (1) With the boundaries set forth on Exhibit A-1, deleting the Century Center Added Area as shown on Exhibit A-2; and
 - (2) If the Santa Clara County Board of Supervisors does not authorize inclusion of unincorporated County pockets with the Project Area, with boundaries excluding the County pockets, as shown on Exhibit A-3; and
 - (3) With the boundaries set forth on Exhibit 1, excluding the Burbank Community Association's jurisdictional area, as shown on Exhibit A-4.
- (c) Adoption of resolutions by the City Council and Redevelopment Agency Board approving the Project Area Committee's policy recommendations.
- (d) Adoption of resolutions by the City Council and Redevelopment Agency Board approving the Five-Year Implementation Plan for the Strong Neighborhoods Initiative.
- (e) Approval of an ordinance by the City Council approving the merger of the Strong Neighborhoods Initiative Redevelopment Project into the San Jose Merged Project Area.

(Redevelopment Agency/City Manager's Office)

CEQA: Resolution to be adopted.

TO BE HEARD IN THE EVENING, AS 10.3 ON THE CITY COUNCIL AGENDA"

Orders of the Day approved.

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 March 12, 2002.
- (b) Regular meeting of March 26, 2002.

Approved.

2.2 Report of the Agency Finance Committee – April 24, 2002 Council Member Dando, Chair

- (a) Monthly Financial Statements – March 2002
- (b) Capital Cost Report – March 2002
- (c) Cash Flow Projection
- (d) Tax Increment Forecast

Approved.

2.3 Report of the Rules Committee – May 22, 2002 Vice Mayor Shirakawa, Jr., Chair

- (a) Review June 4, 2002 Draft Agenda.
- (b) Add New Items to the May 28, 2002 Agenda.

Approved.

2.4 Report of the Rules Committee – May 29, 2002 Vice Mayor Shirakawa, Jr., Chair

- (a) Review June 11, 2002 Draft Agenda.
- (b) Add New Items to the June 4, 2002 Agenda; Meeting Cancelled

Approved.

2.5 Approval of a FIP Owner Participation Agreement to assist with the rehabilitation of the Studio Theatre/Polly Esther's located at 396 South First Street.

Recommendation: Approval of a Facade Improvement Program (FIP) Owner Participation Agreement with Richard Berg, authorized representative of several family trusts with property ownership interests, and Polly Esther's San Jose, LLC, business owner and program applicant, in an amount not to exceed \$132,000, to assist with the rehabilitation of Studio Theatre/Polly Esther's located at 396 South First Street.

Approved.

2 CONSENT CALENDAR (Continued)

2.6 Approval of amendments to agreements with West Coast Arborists and with Anderson Tree Care for Tree Establishment Services.

Recommendation:

- (a) Approval of the second amendment to the agreement with West Coast Arborists, Inc., in the amount of \$75,000, for a total contract amount not to exceed \$275,000, and extension of the term of the agreement by one year through June 30, 2003; and,
- (b) Approval of the second amendment to the agreement with Anderson Tree Care, in the amount of \$75,000, for a total contract amount not to exceed \$275,000, and extension of the term of the agreement by one year through June 30, 2003.

Approved.

2.7 Approval of the second amendment to the agreement with CEL for special testing and inspection services at the Fourth Street Parking Garage Project.

Recommendation: Approval of the second amendment to the agreement with Consolidated Engineering Laboratories, Inc. (CEL), in the amount of \$66,000, for a total contract amount not to exceed \$240,090, for special testing and inspection services at the Fourth Street Parking Garage Project, and amending the compensation to provide additional labor categories and rates and other technical changes.

Approved.

2.8 Approval of the second amendment to the agreement with Sugimura and Associates for landscape design services for the Neighborhood Business Cluster and the proposed SNI Redevelopment Project Areas.

Recommendation: Approval of the second amendment to the agreement with Sugimura and Associates, for landscape design services for the Neighborhood Business Cluster Project Area and the proposed Strong Neighborhoods Initiative (SNI) Redevelopment Project Area, where appropriate, extending the term one year through December 31, 2003, at no additional cost.

Public testimony received. Approved.

2 CONSENT CALENDAR (Continued)

2.9 Approval of the first amendment to the agreement with Michael Brandman Associates, Inc., for the preparation of an environmental impact report for the Mixed Use Project.

Recommendation: Approval of the first amendment to the agreement with Michael Brandman Associates, Inc., in the amount of \$3,928, for a total contract amount not to exceed \$303,928, for the preparation of an environmental impact report for the Mixed Use Project, revising the scope of services and extending the term of the agreement four months through September 30, 2002.

Approved.

2.10 Approval of the second amendment to the agreement with Bellecci & Associates for preparation of legal descriptions for the proposed SNI Redevelopment Project Area.

Recommendation: Approval of the second amendment to the agreement with Bellecci & Associates, in the amount of \$45,596, for a total amount not to exceed \$175,596, for preparation of legal descriptions for the proposed Strong Neighborhoods Initiative (SNI) Redevelopment Project Area.

Public testimony received. Approved.

2.11 Approval of a Facade Improvement Agreement with Monterey Technology Center Investors, LLC, owner of the building located at 295 Phelan Avenue.

Recommendation: Approval of a Facade Improvement Agreement, in the amount of \$154,000, with Monterey Technology Center Investors, LLC, owner of the building located on 295 Phelan Avenue, for improvements to the exterior of the 7th and Phelan Technology Center.

Approved.

END OF CONSENT CALENDAR

3 NEIGHBORHOOD IMPROVEMENT STRATEGIES

3.1 Acquisition by eminent domain of real property located at 50 Bellevue Avenue, owned by Catherine M. Linquist and James B. Linquist, Co-Trustees of the Linquist Family Trust C.

3 NEIGHBORHOOD IMPROVEMENT STRATEGIES (Continued)

Recommendation: Adoption of a resolution determining that the public interest and necessity require the acquisition by eminent domain of real property located at 50 Bellevue Avenue (APN 434-24-074), owned by Catherine M. Linquist and James B. Linquist, Co-Trustees of the Linquist Family Trust C, and authorizing the General Counsel to file suit in eminent domain with respect to such property for use as a neighborhood park serving the Washington-Guadalupe neighborhood. **Public testimony received. Resolution No. 5289 adopted.**

3.2 Approval of a Purchase and Sale Agreement with Westminster Presbyterian Church for the acquisition of the Hanchett Avenue lot located at 1343 The Alameda.

Recommendation: Approval of a Purchase and Sale Agreement with Westminster Presbyterian Church, in the amount of \$350,000, for the acquisition of the Hanchett Avenue lot located at 1343 The Alameda (APN: 261-23-064), in The Alameda Project Area for use as a public parking lot. **Approved.**

4 HOUSING

None.

5 PUBLIC FACILITIES AND SPACES

5.1 Approval of an OPA with ESUHSD for improvements to an existing parking lot and for public parking use rights at James Lick High School and related budget actions, and making certain findings.

Recommendation: Adoption of a resolution approving an Owner Participation Agreement with the East Side Union High School District (ESUHSD), in an amount not to exceed \$375,000, for improvements to an existing parking lot at James Lick High School located at 57 North White Road, with the Agency obtaining public use rights to the parking; and making certain determinations required under California Health and Safety Code Section 33445. **Resolution No. 5295 adopted.**

5 PUBLIC FACILITIES AND SPACES (Continued)

5.2 Approval of a lease with Helen L. and John C.M. Tang for the property located at 21 North Fifth Street.

Recommendation: Approval of a lease with Helen L. and John C.M. Tang, dba Pacific Car Wash, for the property located at 21 North Fifth Street, with a three-year term and an option for an additional three years and an initial lease payment to the Agency of \$4,100 monthly.

Item 5.2 deferred to June 25, 2002.

5.3 Award of a contract to Randazzo Enterprises, Inc., for the demolition of residential and commercial buildings and site work at 155-159, 167-169, 171, 175, 179, 181, 193, 195, and 197 East Santa Clara Street and 53, 63, 71 and 77 North Fifth Street.

Recommendation: Adoption of a resolution awarding a contract to Randazzo Enterprises, Inc., the low bidder, in the amount of \$243,616, for the demolition of residential and commercial buildings and related site work at 155-159, 167-169, 171, 175, 179, 181, 193, 195, and 197 East Santa Clara Street and 53, 63, 71 and 77 North Fifth Street for preparation of the site for construction uses and future development and establishing a contingency in the amount of \$24,362 for a total funding amount of \$267,978.

Public testimony received. Resolution No. 5296 adopted.

5.4 Approval of the fourth amendment to the agreement with Ellerbe Becket, for architectural and engineering services for the Fourth and San Fernando Garage Project.

Recommendation: Approval of the fourth amendment to the agreement with Ellerbe Becket, in the amount of \$540,000, for a total contract amount not to exceed \$3,504,525, for architectural and engineering services for the Fourth and San Fernando Garage Project at the northeast corner of South Fourth and East San Fernando Streets, amending the scope of work, and extending the term of the agreement by six months through December 30, 2002.

Public testimony received. Approved.

5 PUBLIC FACILITIES AND SPACES (Continued)

5.5 Approval of a contract with Brunk Industries for repair of the second floor ceiling at the Tech Museum of Innovation and related budget actions.

Recommendation: Adoption of resolutions:

- (a) Approving the addition of \$435,966 in the Adopted FY 2001-2002 Capital Budget and amending the FY 2001-2002 Agency Appropriations Resolution.

Public testimony received. Resolution No. 5297 adopted.

- (b) Approving a contract with Brunk Industries, in the amount of \$415,206, and authorizing a construction contingency in the amount of \$20,760, for repair of the second floor ceiling at the Tech Museum of Innovation.

Public testimony received. Resolution No. 5298 adopted.

5.6 Approval of the shift of \$10,000,000 from Year 2 of the Five-Year CIP to the current year FY 2001-02 Adopted Budget Rincon Flood Control line item in Rincon de Los Esteros.

Recommendation: Adoption of a resolution:

- (a) Approving the shift of \$10,000,000 from Year 2 of the Five-Year Capital Improvement Program (CIP) to the current year FY 2001-02 Adopted Budget, Rincon Flood Control line item in Rincon de Los Esteros, to provide funding for Phase II of the Rincon Flood Master Plan; and,

- (b) Amending the FY 2001-2002 Agency appropriations resolution.

Resolution No. 5299 adopted.

6 PRIVATE DEVELOPMENT

None.

7.1 Approval of various actions related to the proposed Fifteenth Amended Century Center Redevelopment Plan; the Report Accompanying the proposed Fifteenth Amended Century Center Redevelopment Plan; the Amended Five-Year Implementation Plan; and the Merger of the Fifteenth Amended Century Center Redevelopment Plan into the Existing San Jose Merged Project Area.

Board Member Chavez moved to include the adoption of a statement of overriding considerations.

Recommendations: Public Hearing and:

- (a) Adoption of resolutions by the City Council and Redevelopment Agency Board approving the Report Accompanying the Proposed Fifteenth Amended Century Center Redevelopment Plan and merger.
Public testimony received. Resolution No. 5300 adopted. Noes: Reed.
- (b) Approval of an ordinance by the City Council adopting the proposed Fifteenth Amended Century Center Redevelopment Plan and making certain findings.
Public testimony received. City Council Ordinance No. 26659 passed for publication. Noes: Reed.
- (c) Adoption of resolutions by the City Council and Redevelopment Agency Board approving the Amended Five-Year Implementation Plan for the Amended Century Center Redevelopment Project Area.
Public testimony received. Resolution No. 5301 adopted. City Council Resolution No. 71039 passed for publication. Noes: Reed.
- (d) Approval of an ordinance by the City Council approving the merger of the Fifteenth Amended Century Center Redevelopment Plan into the San Jose Merged Area and making certain findings.
Public testimony received. City Council Ordinance 26660 passed for publication. Noes: Reed.

7.2 Transfer of funds from the Agency to the City for the construction of the Northside Community Center.

Recommendation:

(a) Adoption of resolutions:

- (1) By the City Council and Redevelopment Agency Board authorizing the City Manager and Redevelopment Agency Executive Director to negotiate and execute the Second Amendment to the Cooperation Agreement for the Northside Community Center, authorizing the Agency to fund an additional amount of \$1,748,313, for total Agency funding of \$5,046,313.

Resolution No. 5290 adopted. City Council Resolution No. 71040 adopted.

- (2) By the City Council authorizing the City Manager, or designee, to negotiate and execute amendments to the Master Developer Agreement with BRIDGE Housing Corporation on behalf of the City related to the development of the Northside Community Center to reflect the additional funds in the Second Amendment to the Cooperation Agreement, and a Guaranteed Maximum Price for the Community Center.

City Council Resolution 71041 adopted.

- (b) Adoption of a resolution by the Redevelopment Agency Board amending the FY 2001-2002 Redevelopment Agency appropriations resolution; and, **Resolution No. 5291 adopted.**

- (c) Adoption of Appropriation Ordinance and Funding Sources Resolution amendments by the City Council in the General Fund:

- (1) Increasing the Northside Community Center appropriation amount by \$1,748,313; and,

- (2) Increasing the estimate for Revenue from Local Agencies by \$1,748,313.

City Council Resolution No. 71041 adopted.

7.3 Approval of various actions related to the Proposed Strong Neighborhoods Initiative Redevelopment Plan and the Merger of the Strong Neighborhoods Initiative Redevelopment Plan into the Existing San Jose Merged Project Area.

Recommendation: Public Hearing and:

- (a) Adoption of resolutions by the City Council and Redevelopment Agency Board approving the report accompanying the Proposed Strong Neighborhoods Initiative Redevelopment Plan and Merger.
Public testimony received. Agency Resolution No. 5292 adopted. City Council Resolution No. 71042 adopted. Noes: Reed.

- (b) Approval of an ordinance by the City Council adopting the proposed Strong Neighborhoods Initiative Redevelopment Plan with the recommended amendment to Section 306 as submitted by the Project Area Committee, which addresses community concerns about the use of eminent domain, and establishing Project Area boundaries from among the following alternative boundary options, and making certain findings:
 - (1) With the boundaries set forth on Exhibit A-1, deleting the Century Center Added Area as shown on Exhibit A-2; and
 - (2) If the Santa Clara County Board of Supervisors does not authorize inclusion of unincorporated County pockets with the Project Area, with boundaries excluding the County pockets, as shown on Exhibit A-3; and
 - (3) With the boundaries set forth on Exhibit 1, excluding the Burbank Community Association's jurisdictional area, as shown on Exhibit A-4.
Public testimony received. City Council Ordinance No. 26662 passed for publication. Noes: Reed.

- (c) Adoption of resolutions by the City Council and Redevelopment Agency Board approving the Project Area Committee's policy recommendations.
Public testimony received. Agency Resolution No. 5293 adopted. City Council Resolution No. 71043 adopted. Noes: Reed.

7 JOINT REDEVELOPMENT AGENCY/COUNCIL (Continued)

- (d) Adoption of resolutions by the City Council and Redevelopment Agency Board approving the Five-Year Implementation Plan for the Strong Neighborhoods Initiative.
Public testimony received. Agency Resolution No. 5294 adopted. City Council Resolution No. 71044 adopted. Noes: Reed.

- (e) Approval of an ordinance by the City Council approving the merger of the Strong Neighborhoods Initiative Redevelopment Project into the San Jose Merged Project Area.
Public testimony received. City Council Ordinance No. 26663 passed for publication. CEQA Resolution No. 71045 adopted.

CLOSED SESSION REPORT

None.

OPEN FORUM

None.

ADJOURNMENT

The meeting was adjourned at 3:02 p.m.