

# **REDEVELOPMENT AGENCY BOARD**

## **SYNOPSIS**

**June 25, 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](http://www.sjredevelopment.org).

## **CALL TO ORDER AND ROLL CALL**

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**Mayor Ron Gonzales called the meeting to order at 3:46 p.m.**

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

**ABSENT: DIQUISTO (EXCUSED)**

## **ORDERS OF THE DAY**

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Item 7.1 is to be considered in a joint Redevelopment Agency Board/City Council session.

Following item will be heard under Section 10 on the City Council Agenda prior to the convening of the Redevelopment Agency Board meeting:

**Item 2.4 removed from the Consent Calendar by Board Member LeZotte and  
Item 2.10 removed from the Consent Calendar by Board Member Chavez.**

### **1 CEREMONIAL ITEMS**

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**None.**

### **2 CONSENT CALENDAR**

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#### **2.1 Report of the Agency Finance Committee – May 22, 2002 Council Member Dando, Chair**

- (a) Monthly Financial Statements – April 2002
- (b) Capital Cost Report – April 2002
- (c) Cash Flow Projection
- (d) Bond Reserve Investment Review

**Approved. Absent: Diquisto, Yeager.**

#### **2.2 Report of the Rules Committee – June 5, 2002 Vice Mayor Shirakawa, Jr., Chair**

- (a) Review June 18, 2002 Draft Agenda.
- (b) Add New Items to the June 11, 2002 Agenda

**Approved. Absent: Diquisto, Yeager.**

## **2 CONSENT CALENDAR (Continued)**

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### **2.3 Approval of an agreement with George Barrall to provide onsite inspection services for the Pala Youth Center Project.**

**Recommendation:** Approval of an agreement with George Barrall, in the amount of \$156,870, to provide continuous onsite inspection services for the Pala Youth Center Project.

**Approved. Absent: Diquisto, Yeager.**

### **2.4 Approval of the first amendment to the agreement with Liquid Agency for website design.**

**Recommendation:** Approval of the first amendment to the agreement with Liquid Agency, in the amount of \$74,000, for a total amount not to exceed \$159,000, for website design and management, amending the scope, and extending the term of the agreement through August 5, 2003.

**Approved. Absent: Diquisto, Yeager.**

### **2.5 Approval of the first amendment to the agreement with H. T. Harvey & Associates for environmental mitigation and monitoring services.**

**Recommendation:** Approval of the first amendment to the Corrected and Restated Agreement with H. T. Harvey & Associates, in the amount of \$100,000, for a total contract amount of \$200,000, for environmental mitigation and monitoring services, revising the hourly rates and providing for annual increase, and extending the term of the agreement by five years, through June 30, 2007.

**Approved. Absent: Diquisto, Yeager.**

### **2.6 Approval of the fifth amendment to the agreement with Marvin Bamburg Associates for architectural design and construction administration services for the Facade Improvement Program.**

**Recommendation:** Approval of the fifth amendment to the agreement with Marvin Bamburg Associates (dba MBA Architects), in the amount of \$100,000, for a total contract amount not to exceed \$199,500, for architectural design and construction administration services for the Facade Improvement Program, and extending the term of the agreement by six months, through December 31, 2003.

**Approved. Absent: Diquisto, Yeager.**

## **2 CONSENT CALENDAR (Continued)**

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- 2.7 Approval of a contract for furniture requirements for the San Jose State University/City of San Jose Joint Library Project, for which the University is obligated to reimburse 59% of the contracted costs.**

**Recommendation:** Approval of the fifth amendment to the agreement with Marvin Bamberg Associates (dba MBA Architects), in the amount of \$100,000, for a total contract amount not to exceed \$199,500, for architectural design and construction administration services for the Facade Improvement Program, and extending the term of the agreement by six months, through December 31, 2003. **Public testimony received. Approved. Absent: Diquisto, Yeager.**

- 2.8 Approval of the second amendment to the URS Greiner/Woodward Clyde agreement, extending the contract term nine months.**

**Recommendations:** Approval of the second amendment to the agreement between the Agency and the Trustees of the California State University, on behalf of The San Jose State University and URS Greiner/ Woodward Clyde, to provide geotechnical consulting and testing and inspection services for the City of San Jose/San Jose State University Joint Library Project, extending the contract term nine months, through April 30, 2003, at no additional cost. **Approved. Absent: Diquisto, Yeager.**

- 2.9 Approval of the first amendment to the agreement with Moore Iacofano Goltsman Inc., for planning services in the Burbank/Del Monte SNI area.**

**Recommendation:** Approval of the first amendment to the agreement with Moore Iacofano Goltsman Inc., in the amount of \$15,050, for a total amount not to exceed \$190,050, for planning services in the Burbank/Del Monte neighborhood, and amending the scope of services and schedule of performance. **Public testimony received. Absent: Diquisto.**

- 2.10 Approval to negotiate and execute an amendment to an Unreinforced Masonry OPA for seismic retrofit of the building at 347-349 South First Street.**

**Recommendation:** Adoption of a resolution authorizing the Executive Director to negotiate and execute the first amendment to an Unreinforced Masonry Owner Participation Agreement (OPA) with Jim & Suzanne Salata and Mary and Mark Cardosa, in an amount not to exceed \$400,000, to assist with the seismic retrofit of the building located at 347-349 South First Street. CEQA: Resolution No. 68839 **Resolution No. 5327 adopted. Absent: Diquisto.**

## 2 CONSENT CALENDAR (Continued)

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### 2.11 Approval of the second amendment to the agreement with the San Jose Downtown Association for consulting services assisting the business associations in the 13<sup>th</sup> Street SNI Area.

**Recommendation:** Approval of the second amendment to the agreement with the San Jose Downtown Association, in the amount of \$60,000 for a total contract amount not to exceed \$174,000, for additional services to assist the creation of a business association in the 13<sup>th</sup> Street Strong Neighborhoods Initiative (SNI) Area. **Public testimony received. Approved. Absent: Diquisto.**

### END OF CONSENT CALENDAR

## 3 NEIGHBORHOOD IMPROVEMENT STRATEGIES

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None.

## 4 HOUSING

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### 4.1 Approval of an ENA with Classic Communities, Inc., for a planned residential development.

**Recommendation:** Approval of an Exclusive Negotiations Agreement (ENA) with Classic Communities, Inc., with a six month term, for the planned residential development of Agency property located at the northwest corner of Bassett and North First Streets, (APN: 259-20-061).

**Public testimony was received. Approved. Board Member Chavez requested that the DDA have performance measures that include benchmarks for the timeline of performance so that the ability to work with the community is measured. Absent: Diquisto.**

### 4.2 Approval of an ENA with Regis Homes of Northern California for a planned residential development.

**Recommendation:** Approval of an Exclusive Negotiations Agreement (ENA) with Regis Homes of Northern California, with a six month term, for the planned residential development of Agency property located at the northeast corner of North First and East Julian Streets, (APN: 249-44-101).

## 4 HOUSING (Continued)

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Item 4.2 – Continued

**Public testimony was received. Approved. Board Member Chavez requested that the DDA have performance measures that include benchmarks for the timeline of performance so that the ability to work with the community is measured. Absent: Diquisto.**

### 4.3 Approval of an ENA with CIM Group for the proposed development of mixed-use infill development on four parcels along South Second Street from Santa Clara Street to Paseo San Antonio.

**Recommendation:** Approval of an Exclusive Negotiations Agreement (ENA) with CIM California Urban Real Estate Fund, L.P. (CIM Group), a Delaware Limited Partnership, with a four month term and an option for one two-month extension, for the proposed development of mixed-use infill projects in the downtown core.

**Public testimony was received. Approved. Board Member Chavez included as part of the motion that a work plan come back to the Agency Board in August 2002 with each parcel treated as its own cost center, with a strategy for historical resoures for each property, and a better outline of concrete deal points to be discussed. Absent: Diquisto.**

## 5 PUBLIC FACILITIES AND SPACES

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### 5.1 Approval of a lease with Pacific Car Wash, Inc., for the property located at 21 North Fifth Street.

**Recommendation:** Approval of a lease with Pacific Car Wash, Inc., 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.

**Approved. Absent: Diquisto.**

### 5.2 Approval of an agreement for a public space program in the downtown.

**Recommendation:** Approval of an agreement with the San Jose Downtown Association, in the amount of \$479,150, for a public space program in the downtown as part of the Agency's Downtown Retail Strategy.

## 5 PUBLIC FACILITIES AND SPACES (Continued)

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Item 5.2 – Continued

**Board Member Chavez requested an amendment to the motion to include an opportunity for an alcohol-free New Year’s Eve celebration, similar to the First Night celebration, through the public space program contract with the group. She directed Agency staff to prepare a proposal to come back at the earliest meeting in August. Approved. Absent: Diquisto, Yeager.**

## 6 PRIVATE DEVELOPMENT

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### 6.1 Approval of an amendment to the DDA relating to the development of the Montgomery Hotel.

**Recommendation:** Redevelopment Agency Board approval of:

- (a) The second amendment to the Disposition and Development Agreement (DDA) with the Montgomery Hotel Group, LLC, for the development of the Montgomery Hotel, to provide for conveyance of the property prior to completion of project design, for Agency funding of a curb cut, and other technical changes.

**Approved. Absent: Dando, Diquisto, Yeager.**

- (b) The first amendment to the property-use and parking agreement with the Montgomery Hotel Group, LLC to provide access to the parking area from San Carlos Street for the duration of construction, and giving the Executive Director authority to amend the area and rent subject to the agreement once hotel operations commence.

**Approved. Absent: Dando, Diquisto, Yeager.**

CEQA: Resolution No. 67982 (SAN ANTONIO PLAZA)

## 7 JOINT REDEVELOPMENT AGENCY/COUNCIL

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### 7.1 Approval of a DDA relating to the development of commercial properties in the Story Road Redevelopment Project Area in the vicinity of Story and King Roads.

**Recommendation:** Public Hearing and;

- (a) Adoption of a resolution by the City Council approving the sale of the project site (generally located on the commercial properties on the southwest and southeast corners of Story and King Roads) to BHV San Jose, LLC, accepting the 33433 Summary Report and Re-Use Appraisal, and finding that the sale of the property will assist in the elimination of blight, is consistent with the Implementation Plan for the Story Road 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 (DDA).  
**Public testimony received. City Council Resolution No. 71140 adopted. Noes: Dando, Reed. Absent: Diquisto.**
- (b) Adoption of a resolution by the Agency Board approving the proposed DDA between BHV San Jose, LLC, and the Redevelopment Agency for the redevelopment of the commercial property at the southeast and southwest corners of Story and King Roads, authorizing the Executive Director to negotiate and execute purchase and sale agreements for site acquisition required under the DDA, technical amendments required by the Developers lender, and the master lease and sublease agreement for the Mercado, and authorizing the Executive Director to convey property to the developer once the conditions of conveyance have been met.  
**Public testimony received. Resolution No. 5322 adopted. Noes: Dando, Reed. Absent: Diquisto.**
- (c) Adoption of a resolution by the Agency Board approving the Business Relocation Program for the proposed retail redevelopment of the southwest and southeast corners of Story and King Roads.  
**Public testimony received. Resolution No. 5323 adopted. Noes: Dando, Reed. Absent: Diquisto.**

CEQA: Mitigated Negative Declaration (STORY ROAD)

## 7 JOINT REDEVELOPMENT AGENCY/COUNCIL (Continued)

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### 7.2 Approval of a loan program to assist building owners and tenants in the downtown.

**Recommendation:** Adoption of resolutions:

- (a) By the Agency Board approving the Retail Entertainment and Arts Loan Assistance Program to loans for building improvements to Downtown buildings to enhance the retail environment and improve the stability and diversity of downtown and Neighborhood Business Districts.  
**Public testimony was received. Resolution No. 5324 adopted. Absent: Diquisto, Yeager.**
  
- (b) By the City Council and Agency Board approving the Small Business Loan Program to provide reduced-rate financing, targeted to downtown and Neighborhood Business Districts, to stabilize and grow small retail businesses.  
**Public testimony was received. Board Member Chavez included as part of the motion a recommendation to revisit the programs in six months to collect feedback from the businesses and possibly increase the gross revenue cap to \$2M-\$2.5M. Agency Resolution No. 5325 adopted. City Council Resolution No. 71139 adopted. Absent: Diquisto, Yeager.**

### CLOSED SESSION REPORT

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None.

### OPEN FORUM

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None.

### ADJOURNMENT

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**The meeting was suspended at 5:00 p.m. and reconvened at 7:05 p.m.  
The meeting was adjourned at 10:50 p.m.**