

REDEVELOPMENT AGENCY BOARD

SYNOPSIS

October 14, 2003

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
TERRY GREGORY
DAVID CORTESE
JUDY CHIRCO
PAT DANDO

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT10

CALL TO ORDER AND ROLL CALL

Mayor Ron Gonzales called the meeting to order at 3:45 p.m.

PRESENT: GONZALES, CAMPOS, CHAVEZ, CHIRCO, CORTESE, DANDO, GREGORY, LEZOTTE, REED, YEAGER, WILLIAMS.

ORDERS OF THE DAY

Items recommended to be added, dropped, or deferred are usually approved under Orders of the Day unless the Council directs otherwise.

Items 7.1 – 7.4 are to be considered in a joint Redevelopment Agency/City Council Session.

See Item 10 on the City Council Agenda for description of any City Council agenda items relating to the Redevelopment Agency.

Orders of the day approved.

1 CEREMONIAL ITEMS

None.

2 CONSENT CALENDAR

Item 2.2 was pulled from the Consent Calendar in order for Council Member LeZotte to vote No.

2.1 Approval of Redevelopment Agency Meeting Minutes:

Recommendation: Approval of Redevelopment Agency Minutes for:

- (a) Regular meeting of June 24, 2003.
- (b) Regular meeting of September 9, 2003.

Approved.

2.2 Acceptance of Agency Financial Reports

- (a) Monthly Financial Statements – August 2003
- (b) Capital Cost Report - August 2003
- (c) Cash Flow Projection - August 2003

Approved. Noes: LeZotte.

2.3 Report of the Rules Committee – September 3, 2003.

Vice Mayor Dando, Chair

- (a) Review September 16, 2003 Draft Agenda.
- (b) Changes to the September 9, 2003 Agenda
- (c) Staff reports outstanding for September 9, 2003.

Approved.

2.4 Report of the Rules Committee – September 10, 2003.

Vice Mayor Dando, Chair

- (a) Review September 23, 2003 Draft Agenda.
- (b) Changes to the September 16, 2003 Agenda
- (c) Staff reports outstanding for September 16, 2003: None.

Approved.

2.5 Report of the Rules Committee – September 17, 2003.

Vice Mayor Dando, Chair

- (a) Review September 30, 2003 Draft Agenda.
- (b) Changes to the September 23, 2003 Agenda.
- (c) Staff reports outstanding for September 23, 2003.

Approved.

2.6 Report of the Rules Committee – September 24, 2003.

Vice Mayor Dando, Chair

- (a) Review October 7, 2003 Draft Agenda.
- (b) Changes to the September 30, 2003 Agenda.
- (c) Staff reports outstanding for September 30, 2003.

Approved.

3 NEIGHBORHOOD IMPROVEMENT STRATEGIES

None.

4 HOUSING

None.

5 PUBLIC FACILITIES AND SPACES

None.

6 PRIVATE DEVELOPMENT

6.1 Approval of an amendment to the Commercial Building Loan Agreement with Joel Wyrick and Judy Pearson providing an additional six months for completion of construction.

Recommendation: Approval of an amendment to the Commercial Building Loan Agreement with Joel Wyrick and Judy Pearson, amending the Schedule to allow an additional six months for completion of construction rehabilitation of the commercial building located at 37-39 South First Street, and authorizing the Executive Director to execute required documents. CEQA: Resolution No. 71039.1, PP03-04-100.

Approved.

6.2 Approval of an ENA with Peralta San Pedro, LLC, for a 90-day term, for the proposed sale of the Storm Property.

Recommendation: Approval of an Exclusive Negotiations Agreement (ENA) with the Peralta San Pedro, LLC, for a 90-day term, for the proposed sale of the Storm Property at 73-75 North San Pedro Street and its subsequent rehabilitation and use as a restaurant. CEQA: Resolution No. 71039.1, PP03-04-100.

Approved.

7 JOINT REDEVELOPMENT AGENCY/COUNCIL

7.1 Approval to transfer the Fourth Street Garage from the Agency to the City and related actions.

Recommendation: It is recommended that the City Council and Redevelopment Agency:

- (a) Approve a Cooperation Agreement providing for the Agency's transfer of the Fourth Street Garage to the City, and authorizing the City Manager and Executive Director to execute all necessary documents to effect the conveyance of the Fourth Street Garage from the Redevelopment Agency to the City of San Jose; and,
- (b) Approve a Master Lease Agreement between the Agency and the City whereby the Agency will lease from the City all ground floor Retail Space in the Fourth Street Garage for a term of five years, with one five-year option, to allow the Agency to further redevelopment goals in the Strong Neighborhoods Initiative Project Area.

Public testimony received. Approved.

7.2 Authorization to apply for Proposition 40 funds from the State for Japantown cultural preservation projects, and related actions.

Recommendation: Adoption of resolutions by the City Council and Redevelopment Agency for Japantown cultural preservation projects.

(a) Adoption of a resolution by Redevelopment Agency authorizing the Executive Director to apply for Proposition 40 funds for Japantown cultural preservation projects and designating the Japantown Community Congress as the community organization to advise the Agency on the grant-funded projects; execute a grant agreement with the California Department of Parks and Recreation; and encumber grant funds for the identified projects.

Public testimony received. Resolution No. 5439 adopted.

(b) Approval by the City Council and Redevelopment Agency of a cooperation agreement between the City and Agency assigning the City's grant under Senate Bill 307 (SB307) for Japantown cultural preservation projects to the Agency.

Public testimony received. Approved.

(c) Adoption of a resolution by the Redevelopment Agency approving amendments to the FY 2003-04 Appropriations Resolution to reflect adjustments to the FY 2003-04 Revenue and Capital Budget to accept the grant proceeds.

Public testimony received. Resolution No. 5440 adopted.

7.3 Approval to transfer the Repertory Theatre from the Agency to the City, and related actions.

Recommendation: It is recommended that the City Council and Redevelopment Agency approve an Amended and Restated Cooperation Agreement between the Agency and the City, pertaining to the San Jose Repertory Theatre and Plaza.

CEQA: Resolution No. 68839, PP03-08-250.

Public testimony received. Approved.

7.4 Actions related to the Camera Cinema and the theatre space formerly occupied by United Artists.

Recommendations:

(a) Adoption of a resolution by the Redevelopment Agency:

(1) Approving an agreement with Camera Pavilion Management

Corporation (CPMC) for a Commercial Building Loan in an amount not to exceed \$2,500,000 and a Facade Improvement Grant in an amount not to exceed \$198,000; and,

- (2) Approving a Sublease between F.C. Pavilion, LLC, and CPMC for the lease of theater space at 201 South Second Street (former UA Theater building) and extinguishing an easement allowing for the use of theater facilities for no rent; and,
- (3) Approving a Master Lease between the Agency and the City for 11,700 square feet of retail space at the Block 6 Parking Garage for a twenty-year term and two five-year options and a Quitclaim to be executed by the Agency quitclaiming any remaining interest in the underlying fee in the Block 6 Parking Garage to the City; and,
- (4) Approving a Lease Amendment with SFC Associates VI for retail space at Block 6 for a two-year term; and,
- (5) Approving a Purchase and Sale Agreement between the Agency and James E. Zuur, Mary Ellen Bohnsack, Jack E. NyBlom, Raphaela NyBlom, and Dennis Skaggs, Trustor, for the sale to the Agency of the real property located at 366 South First Street for a purchase price of \$1,020,000; and,
- (6) Approving an Interim Lease with CPMC for 366 South First Street to operate the Camera One theater until 201 South Second Street is ready for occupancy; and,
- (7) Approving a Parking Agreement between the Agency, the City, and CPMC setting forth the parking and validation rights of CPMC with respect to patron parking; and,
- (8) Approving a Use Agreement with CPMC in an amount not to exceed \$36,000 per year for three years; and,
- (9) Approving a Lease Amendment with F.C. Fairmont, LLC, allowing for the acceleration of the option to purchase real property at 50 West San Fernando Street from the Agency, authorizing the sale of said property for a purchase price of \$4,000,000, and authorizing the Executive Director to execute such documents as necessary to implement the amendment and sale; and,
- (10) Approving a Lease Amendment with F.C. Pavilion, LLC, modifying the schedule of rents and allowing for the acceleration of the option to

purchase real property at 201 South Second Street from the Agency upon the occurrence of certain future conditions, authorizing the sale of said property upon exercise of the option, and authorizing the Executive Director to execute such documents as necessary to implement the amendment and sale; and,

- (11) Approving such other related documents as referenced in the agreements and authorizing the Executive Director to negotiate and execute such documents, where applicable, and authorizing the Executive Director to make minor amendments to the documents as necessary to the extent consistent with this memorandum.

Public testimony received. Resolution No. 5441 adopted.

(b) Adoption of a resolution by the City Council:

- (1) Approving a Master Lease between the Redevelopment Agency and the City of San Jose for 11,700 square feet of retail space at the Block 6 Parking Garage for a twenty-year term and two five-year options; and,
- (2) Approving a Parking Agreement between the Redevelopment Agency, the City and CPMC setting forth the parking and validation rights of CPMC with respect to patron parking.

City Council Resolution No. 71785 adopted.

CLOSED SESSION REPORT

None.

OPEN FORUM

None.

ADJOURNMENT

The meeting adjourned at 4:10 p.m.