



REDEVELOPMENT AGENCY BOARD

SYNOPSIS

June 24, 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 5:44 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.

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

See Item 10.1 on the City Council Agenda for description of the City Council agenda item relating to the Redevelopment Agency.

Item 2.1(e) pulled from the Consent Calendar by Board Member LeZotte, and Item 2.5 pulled from the Consent Calendar by Board Member Williams for discussion. 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 February 25, 2003.
- (b) Regular meeting of March 18, 2003.
- (c) Regular meeting of March 25, 2003.
- (d) Regular meeting of April 8, 2003.
- (e) Regular meeting of April 15, 2003.
- (f) Regular meeting of April 22, 2003.
- (g) Regular meeting of April 29, 2003.
- (h) Regular meeting of May 13, 2003.

Approved.

2.2 Report of the Rules Committee – May 28, 2003.

Vice Mayor Dando, Chair

- (a) Review June 10, 2003 Draft Agenda.
- (b) Add new items to the June 3, 2003 Agenda: Meeting to be cancelled.
- (c) Staff reports outstanding for June 3, 2003 - NONE.

Approved.

2.3 Report of the Rules Committee – June 4, 2003.

Vice Mayor Dando, Chair

- (a) Review June 17, 2003 Draft Agenda.
- (b) Add new items to the June 10, 2003 Agenda.
- (c) Staff reports outstanding for June 10, 2003 - NONE.

Approved.

2.4 Authorization to negotiate and execute amendments to legal services contracts.

Recommendation: Adoption of resolutions authorizing the General Counsel to negotiate and execute:

- (a) The third amendment to the agreement with Paul, Hastings, Janofsky & Walker, LLP, reducing the scope and maximum compensation by \$100,000 for a total contract amount not to exceed \$520,000.
Resolution No. 5416 adopted.
- (b) The fourth amendment to the agreement with Meyers, Nave, Riback, Silver & Wilson, reducing the scope and maximum compensation by \$82,000 for a total contract not to exceed \$518,000.
Resolution No. 5417 adopted.
- (c) The second amendment to the agreement with McDonough, Holland & Allen, extending the term and increasing the compensation by \$100,000 for a total amount not to exceed \$300,000.
Resolution No. 5418 adopted.

2.5 Approval of an amendment to the agreement with Kornberg Associates, Inc., for architectural design services in connection with the Bioscience Incubator and Innovation Center.

Recommendation: Approval of the first amendment to the agreement with Kornberg Associates, Inc., in the amount of \$76,000, for a total amount not to exceed \$175,000, for architectural design services in connection with the Bioscience Incubator and Innovation Center, expanding the scope of services, and extending the term of the agreement through July 31, 2004.

Approved.

2.6 Approval of an amendment to the agreement with Consolidated Engineering Laboratories for ongoing construction testing and inspection services for the California Theatre project.

Recommendation: Approval of the second amendment to the agreement with Consolidated Engineering Laboratories, in the amount of \$100,000, for a total contract amount not to exceed \$515,000, for ongoing construction testing and inspection services for the California Theatre Project.

Approved.

2.7 Approval of an agreement with the San Jose Downtown Association for promotional and marketing consulting services.

Recommendation: Approval of an agreement with the San Jose Downtown Association, in an amount not to exceed \$360,000, for promotional and marketing consulting services for the period July 1, 2003 through June 30, 2004.

Approved.

2.8 Approval of an amendment to the agreement with the San Jose Downtown Association for a public space program in the downtown.

Recommendation: Approval of the first amendment to the agreement with the San Jose Downtown Association, in the amount of \$179,000, for a total amount not to exceed \$658,150, for a public space program in the downtown as part of the Agency's Downtown Retail Strategy. CEQA: Exempt, PP02-06-150.

Approved.

2.9 Approval of an agreement with Keyser Marston Associates, Inc., for real estate and financial consulting services.

Recommendation: Approval of an agreement with Keyser Marston Associates, Inc., for real estate and financial consulting services, in an amount not to exceed \$450,000, for the period July 1, 2003 through June 30, 2004.

Approved.

2.10 Delegation of approval authority for an agreement with the County of Santa Clara for the purchase and use of computer equipment and software.

Recommendation: Adoption of a resolution authorizing the Executive Director to negotiate and execute an agreement between the Agency and the County of Santa Clara for the purchase and use of computer equipment and software by County Assessor's Office in the amount not to exceed \$103,967.

Resolution No. 5419 adopted.

2.11 Approval of an amendment to the Relocation and Development Agreement with Emergency Housing Consortium for the Our House Youth Shelter project.

Recommendation: Approval of the first amendment to the Relocation and Development Agreement with the Emergency Housing Consortium, allowing EHC a right of access to the permanent site, located at 101 East William Street. CEQA: Exempt, PP03-06-197.

Approved.

2.12 Approval of an amendment to the agreement with Design, Community & Environment, for planning services in connection with the Gateway East and Mayfair neighborhood plans.

Recommendation: Approval of a Continuation Agreement and Second Amendment with Design, Community & Environment, correcting the total compensation amount to \$132,500, for planning services in connection with Gateway East and Mayfair SNI plans.

Approved.

2.13 Approval of the first amendment to the Operations and Maintenance Agreement with Legacy Partners PERPAP Limited Partnership for the Village at Museum Square Project.

Recommendation: Adoption of a resolution approving the first amendment to the Operations and Maintenance Agreement with Legacy Partners PERPAP Limited Partnership and authorizing the Executive Director to negotiate and execute any ancillary documents contemplated by the amendment. CEQA: Resolution No. 68839.

Board Member Chavez made an addition to the motion to report back to the Board on her questions regarding the extent of the prevailing wage issue, the function of the Office of Equality Assurance, what the expectations were and how those did or did not get followed through. Resolution No. 5420 adopted.

3 NEIGHBORHOOD IMPROVEMENT STRATEGIES

None.

4 HOUSING

None.

5 PUBLIC FACILITIES AND SPACES

5.1 Delegation of award authority for a contract for the Artist and Craftsman Supply, Inc., retail shell improvements to the lowest responsive bidder.

Recommendation: Adoption of a resolution by the Agency Board authorizing the Executive Director to award a contract for the Artist and Craftsman Supply, Inc., retail shell improvements, to the lowest responsive bidder, and establish a project contingency, for a total project funding not to exceed \$409,300. CEQA: Resolution No. 68839, PP03-01-009.

Resolution No. 5421 adopted.

5.2 Presentation of the proposed leasing criteria for the Fourth Street Garage and the proposed leasing plan.

Recommendation: Presentation and discussion of the proposed leasing criteria for the Fourth Street Garage and authorization for the Executive Director to negotiate leases with Flames Coffee Shop, DeLaVe Corporation (Taqueria Fresca), and Lee's Sandwiches for Board approval. CEQA: Resolution No. 68839, PP03-01-009.

Approved.

5.3 Authorization to negotiate and execute an agreement with Bellecci Associates for preparation of construction documents for streetscape improvements along North and South Fifth Street and part of San Fernando Street.

Recommendation: Adoption of a resolution authorizing the Executive Director to negotiate and execute an agreement with Bellecci Associates, in the amount of \$416,548, for preparation of engineered construction documents for proposed streetscape improvements along North and South Fifth Street and part of San Fernando Street, and to provide engineering and inspection services during the bidding and construction phases of project.

Dropped.

5.4 Approval of initial lease terms and authorization for the Executive Director to negotiate and execute a lease with MACLA for facilities located at 500 and 510 South First Street.

Recommendation: Adoption of a resolution:

- (a) Approving the initial lease terms for a lease between the Agency and Movimiento de Arte y Cultura Latino Americana (MACLA) for 500 and 510 South First Street; and,

- (b) Authorizing the Executive Director to negotiate the final lease terms; and
- (c) Authorizing the Executive Director to hold a public hearing as required pursuant to Health and Safety Code Section 33431 and, after taking into consideration any public comments, to execute the lease.

Board Member Chavez made an addition to the motion that the initial lease terms also include that the third party costs, including service and materials donated in kind and that can be substantiated, be eligible to apply toward the rent credit. Resolution No. 5422 adopted.

6 PRIVATE DEVELOPMENT

6.1 Authorization to negotiate and execute the first amendment to the Owner Participation and Loan Agreement with the Letitia Building Limited Partnership for Agency loan assistance, for the restoration of the historic Letitia Building at 66-72 South First Street.

Recommendation: Adoption of a resolution authorizing the Executive Director to negotiate and execute the first amendment to the Owner Participation and Loan Agreement with the Letitia Building Limited Partnership, to enable a restructuring of the loan, for the restoration of the historic Letitia Building at 66-72 South First Street. **Resolution No. 5423 adopted.**

6 PRIVATE DEVELOPMENT (Continued)

6.2 Approval of a Master Agreement with Overland, Pacific & Cutler, Inc., for real estate and relocation coordination services.

Recommendation: Approval of a Master Agreement with Overland, Pacific & Cutler, Inc., in an amount not to exceed \$700,000, for real estate and relocation coordination services, with an initial term through December 31, 2003, and options to extend through June 30, 2006.

Approved.

6.3 Approval of the first amendment to the DDA with BHV San Jose LLC, for redevelopment of the commercial site located at the southeast and southwest corners of Story and King Roads.

Recommendation: Approval of the first amendment to the Disposition and Development Agreement (DDA) with BHV San Jose, LLC, which extends the Agency's right to terminate the Agreement until BHV provides an executed

agreement with its equity partner, extends the time when the Developer shall enter into anchor leases to October 30, 2003, and provides the Agency with an option to amend the Project Site to exclude certain properties until October 30, 2003, and makes other technical changes. CEQA: Mitigated Negative Declaration.
Approved. Noes: Dando.

7 JOINT REDEVELOPMENT AGENCY/COUNCIL

7.1 Approval of a Cooperation Agreement between the City and the Agency transferring the rights, title and interest in the Fallon House Gift Shop and parking area, and the Confluence East Tennis Courts.

Recommendation: Adoption of resolutions by the City Council and Agency Board approving a Cooperation Agreement transferring the Agency's rights, title and interest in the Fallon House Gift Shop and parking area, and the Confluence East Tennis Courts to the City of San Jose, and authorizing the City Manager and Executive Director to execute all necessary documents.

Agency Resolution No. 5424 adopted. City Council Resolution No. 71696 adopted.

CLOSED SESSION REPORT

None.

OPEN FORUM

None.

ADJOURNMENT

The meeting adjourned at 6:21 p.m.