

# **REDEVELOPMENT AGENCY BOARD**

## **SYNOPSIS**

**February 15, 2005**

LINDA J. LE ZOTTE  
FORREST WILLIAMS  
CINDY CHAVEZ  
CHUCK REED  
NORA CAMPOS

DISTRICT 1  
DISTRICT 2  
DISTRICT 3  
DISTRICT 4  
DISTRICT 5

RON GONZALES CHAIR

KEN YEAGER  
VACANT  
DAVID D. CORTESE  
JUDY CHIRCO  
NANCY PYLE

DISTRICT 6  
DISTRICT 7  
DISTRICT 8  
DISTRICT 9  
DISTRICT 10

Welcome to the San Jose Redevelopment Agency's Board meeting. Our Board is composed of the ten City Council members and the Mayor, who serve as our Board members 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 4:37 p.m.

**PRESENT: GONZALES, CAMPOS, CHAVEZ, CHIRCO, CORTESE,  
LEZOTTE, PYLE, REED, YEAGER, WILLIAMS.**

**ABSENT: NONE.**

**VACANT: DISTRICT 7 SEAT.**

## **ORDERS OF THE DAY**

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

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

**Approved.**

### **1 CEREMONIAL ITEMS**

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**None.**

### **2 CONSENT CALENDAR**

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#### **2.1 Approval of Board Meeting Minutes:**

**Recommendation:** Approval of Redevelopment Agency Minutes for:

- (a) Regular meeting of January 11, 2005.
- (b) Regular meeting of January 25, 2005.

**Approved.**

## 2 CONSENT CALENDAR (Continued)

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### 2.2 Approval of an amendment for additional funding and term extension of the agreement with Bellecci Associates for preparation of engineered construction documents for streetscape improvements.

#### Recommendations:

- (a) Adoption of a resolution approving the reallocation of \$76,725 from the Civic Plaza–Historic project line and \$23,275 from the Capital Project Operating Expenditure Non-Personal Services line to the Civic Plaza Streetscape project line in the Civic Plaza Redevelopment Area in the FY 2004-2005 Adopted Capital Budget; and amending the FY 2004-2005 Agency appropriations resolution.  
**Public testimony received. Agency Resolution No. 5577 adopted.**
- (b) Approval of the first amendment to the agreement with Bellecci and Associates for design services in connection with the Civic Plaza Improvement Project, increasing the amount by \$99,800, for a total contract amount not to exceed \$516,348, amending the scope for additional design coordination and construction support services, and extending the term of the agreement by six months through October 30, 2005.  
CEQA: Resolution No. 68905; PP04-03-071.  
**Public testimony received. Approved.**

### 2.3 Approval of the continuation agreement and fifth amendment to the agreement with Rudolph & Sletten for construction management services on the California Theatre Project and related budget actions.

#### Recommendations: It is recommended that the Agency Board:

- (a) Adopt a resolution approving the addition of \$145,000 to the FY 2004-2005 Adopted Capital Budget in the California Theatre project line in the Market Gateway Redevelopment Area and amending the FY 2004-2005 Agency appropriations resolution.  
**Agency Resolution No. 5582 adopted.**
- (b) Approve the continuation agreement and fifth amendment to the agreement with Rudolph & Sletten, Inc., for construction management services for the California Theatre project, increasing the compensation in the amount of \$145,000, for total compensation not to exceed \$3,745,000, amending the scope of work and extending the term of the agreement through June 30, 2005.  
**Approved.**

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

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### **2.4 Report of the Rules Committee – January 12, 2004.**

- (a) Review January 25, 2005 Draft Agenda.
  - (b) Addition of new items to the January 18, 2005 Agenda: Dropped – Meeting cancelled.
  - (c) Staff Reports Outstanding for the January 18, 2005 Agenda.
- Approved.**

### **2.5 Report of the Rules Committee – January 19, 2004.**

- (a) Review February 1, 2005 Draft Agenda.
  - (b) Addition of new items to the January 25, 2005 Agenda
  - (c) Staff Reports Outstanding for the January 25, 2005 Agenda.
- Approved.**

### **2.6 Report of the Rules Committee – January 26, 2004.**

- (a) Review February 8, 2005 Draft Agenda.
  - (b) Addition of new items to the February 1, 2005 Agenda: Dropped – Meeting cancelled.
  - (c) Staff Reports Outstanding for the February 1, 2005 Agenda.
- Approved.**

### **2.7 Report of the Rules Committee – February 2, 2004.**

- (a) Review February 15, 2005 Draft Agenda.
  - (b) Addition of new items to the February 8, 2005 Agenda.
  - (c) Staff Reports Outstanding for the February 8, 2005 Agenda.
- Approved.**

## **3 GENERAL**

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**None.**

## **4 NEIGHBORHOOD IMPROVEMENT STRATEGIES**

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**None.**

## 5 HOUSING

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None.

## 6 PUBLIC FACILITIES AND SPACES

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### 6.1 Authorization for the Executive Director to award a contract for construction and infrastructure and site improvements related to the San Jose McEnery Convention Center expansion project.

**Recommendations:** Adoption of resolutions:

- (a) Authorizing the Executive Director to award a construction contract to Proven Management, the low bidder for construction of the McEnery Convention Center Expansion Project II, in the amount of \$5,308,850, which includes the base bid and Alternates 1 and 4, and to establish a 10% contingency in the amount of \$531,150, for a total project construction cost of \$5,840,000, and, in the alternative, to award the base bid and Alternate 1, in the amount of \$3,208,850, and establish a 10% contingency; and,  
**Public testimony received. Agency Resolution No. 5584 adopted.**  
**Noes: Cortese.**
- (b) Approving an adjustment to the FY 2005-2005 Capital Budget, adding \$340,000 to the Temporary Convention Center Expansion line and reducing the capital reserve by an equivalent amount, and amending the FY 2004-2005 Annual Appropriations Resolution.

CEQA: Mitigated Negative Declaration, CP04-028.

**Public testimony received. Agency Resolution No. 5583 adopted.**

**Noes: Cortese.**

## 7 PRIVATE DEVELOPMENT

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None.

## 8 JOINT REDEVELOPMENT AGENCY/COUNCIL

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### 8.1 Public Hearing and approval actions related to a lease with San Jose Credit Union for property located at 88 South Fourth Street.

#### Recommendations:

(a) Adoption of a resolution by the City Council accepting the summary of costs and findings of the Summary 33433 Report and the Estimated Reuse Valuation pursuant to the California Health and Safety Code Section 33433 for the lease to San Jose Credit Union of approximately 2,500 square feet of City-owned ground floor retail space at 88 South Fourth Street, Suite 110/120 that is master leased to the Redevelopment Agency, and making certain findings.

**City Resolution No. 72543 adopted.**

(b) The City Council and Redevelopment Agency approval of a lease with San Jose Credit Union for the property located at 88 South Fourth Street, Suite 110/120, for approximately 2,500 square feet of ground floor retail space.

**Approved.**

(c) Adoption of a resolution by the City Council authorizing the City Manager to execute a Certificate of Nondisturbance and Attornment with San Jose Credit Union under the terms of the Master Lease between the City and the Redevelopment Agency.

CEQA: Exempt; PP05-015.

**City Resolution No. 72543 adopted.**

### 8.2 Public Hearing and approval of actions related to an amendment to the Disposition and Development Agreement with CIM and actions related to a HUD 108 Loan.

#### Recommendations:

(a) Adoption of a resolution by the City Council accepting the summary of costs and findings of the Amended Summary 33433 Report and the Estimated Reuse Valuation pursuant to the California Health and Safety Code Section 33433 for the development of the Downtown Mixed Use Project (Second/Santa Clara and Block 3) with CIM Urban Real Estate Fund, L.P.  
**Public testimony received. City Resolution No. 72544 adopted.**

## 8 JOINT REDEVELOPMENT AGENCY/COUNCIL (Continued)

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### Item 8.2 – Continued

- (b) Adoption of a resolution by the Redevelopment Agency Board approving the Third Amendment to the Disposition and Development Agreement (DDA) with CIM Urban Real Estate Fund, L.P. (CIM), reducing Agency project assistance in the Downtown Mixed Use Project by \$3,410,000; capping the Agency's responsibility for remediation expenses at \$2,500,000 and Parking Plus expenses at \$13,370,000; modifying the project description and modifying the Agency's participation formula; and authorizing the Executive Director to execute the same and to close escrow subject to compliance with the terms of the Amended DDA, and to negotiate, execute, accept and record all necessary documents, easements, agreements with adjoining property owners and amendments to the Amended DDA as reasonably necessary to conform to lender requirements and to facilitate implementation of the Amended DDA and the future conveyance and development of the Block 3 Site.  
**Public testimony received. Agency Resolution No. 5578 adopted.**
- (c) Adoption of resolutions by the City Council and Redevelopment Agency Board authorizing the City Manager and the Executive Director to execute documents with the Department of Housing and Urban Development (HUD) to borrow \$13,000,000 in Section 108 funds, accept a \$2,000,000 Brownfield Economic Development Initiative grant, and allow for the use of the Agency-owned Market/Balbach property (APNs 264-30-010 through 264-30-028 and APN 264-30-136) as collateral for the HUD Section 108 loan for the construction of Parking Plus spaces in the Downtown Mixed Use Project.  
**Public testimony received. City Resolution No. 72545 adopted. Agency Resolution No. 5579 adopted.**
- (d) Adoption of a resolution by the Redevelopment Agency Board approving the addition of \$1,940,000 to the Parking Plus FY 2005-06 CIP, a reduction of \$1,940,000 in the Downtown Mixed Use Projects FY 2005-06 CIP and a shift of \$500,000 from the FY 2005-06 CIP to the Adopted FY 2004-05 Capital Budget for Mixed Use Project Area Environmental Containment project line in the Merged Redevelopment Area, and amending the FY 2004-2005 Agency appropriations resolution.  
CEQA: Supplemental EIR pursuant to CEQA Guidelines 15162, Resolution No. 71039.1; H04-038.  
**Public testimony received. Agency Resolution No. 5580 adopted.**

## **CLOSED SESSION REPORT**

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**None.**

## **OPEN FORUM**

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**None.**

## **ADJOURNMENT**

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The regular session of the meeting adjourned at 5:09 p.m.