

REDEVELOPMENT AGENCY BOARD

SYNOPSIS

October 26, 2004

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
TERRY GREGORY
DAVID D. CORTESE
JUDY CHIRCO
PAT DANDO - VICE CHAIR

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 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.

CALL TO ORDER AND ROLL CALL

Mayor Ron Gonzales called the meeting to order at 5:27 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 6.2 is deferred to November 9, 2004.

Item 7.1 is 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.

Approved.

1 CEREMONIAL ITEMS

None.

2 CONSENT CALENDAR

2.1 Report of the Rules Committee – October 6, 2004.

Vice Mayor Dando, Chair

- (a) Review October 19, 2004 Draft Agenda.
- (b) Addition of new items to the October 12, 2004 Agenda.
- (c) Staff Reports Outstanding for the October 12, 2004 Agenda.

Approved.

2 CONSENT CALENDAR

2.2 **Approval of the third amendment to the agreement with McDonough, Holland & Allen, extending the term for legal services.**

Recommendation: Approval of the third amendment to the agreement for legal services with McDonough, Holland & Allen, extending the term of the agreement by one year, from October 31, 2004 through October 31, 2005, at no additional cost. **Approved.**

2.3 **Approval of amendments to FIP Grant Agreements with Salvatore Campagna, Lena Campagna and Judith Lopina, and with Howard and Jean Spinner.**

Recommendation: Approval of Amended and Restated Facade Improvement Program Grant Agreements for two properties in the Union and Camden area of the Neighborhood Business Cluster Redevelopment Project Area with:

- (a) Salvatore Campagna, Lena Campagna and Judith Lopina, owners of the commercial property located at 2035-2041 Woodard Road, to increase Agency funding by \$21,154 for a total not to exceed \$120,154; and,
- (b) Howard and Jean Spinner, owners of the adjacent commercial building located at 2045-2059 Woodard Road, to increase Agency funding by \$15,693, for a total not to exceed \$114,693.

CEQA: Exempt, PP04-02-046.

Approved.

2.4 **Approval of an amendment to the FIP Grant Agreement with Pritam and Manjeet Grewal.**

Recommendation: Approval of an Amended and Restated Facade Improvement Program Grant Agreement, increasing Agency funding by \$35,000, for a total not to exceed \$275,210, with Pritam and Manjeet Grewal, owners of a shopping center located at 525 McLaughlin Avenue, for facade improvements to the building at that location. CEQA: Exempt, PP04-02-047.

Approved.

2 CONSENT CALENDAR (Continued)

2.5 Approval of an amendment to the FIP Grant Agreement with Richard F. Alley, Earl and Helen Pellegrini, and Richard and William Matusich.

Recommendation: Approval of an Amended and Restated Facade Improvement Program Grant Agreement with Richard F. Alley, Earl and Helen Pellegrini, and Richard and William Matusich, increasing Agency funding by \$85,000, for a total not to exceed \$334,700, for the Shopping Center located at 2705 Union Avenue in the Union/Curtner Strong Neighborhoods Initiative Redevelopment Project Area. CEQA: Exempt, PP04-01-015.

Approved.

3 NEIGHBORHOOD IMPROVEMENT STRATEGIES

None.

4 HOUSING

None.

5 PUBLIC FACILITIES AND SPACES

None.

6 PRIVATE DEVELOPMENT

6.1 Public Hearing and approval of five-year extensions for the leases for the Software and the Environmental business clusters located at 2 North First Street and for the International business cluster located at 111 North Market Street.

6 PRIVATE DEVELOPMENT (Continued)

Item 6.1 – Continued

Recommendation: Public Hearing and approval of:

- (a) The fifth amendment to the lease between the Agency as tenant and Solid State Optronics, Inc., as landlord, for approximately 24,300 square feet of office space on three floors at 2 North First Street for the software and environmental business clusters, extending the term for an additional 60 months and establishing the rent at a total lease amount not to exceed \$2,100,000 for the lease period; and,
- (b) The fourth amendment between the Agency as tenant and W9/PHC Real Estate Limited Partnership, as landlord, extending the term for an additional 60 months and establishing the rent for 14,687 square feet of space at 111 North Market Street, Suite 600, in an amount not to exceed \$1,200,000 for the lease period; and,
- (c) A sublease and co-sponsorship operating agreement with the San Jose State University Foundation (SJSUF), to operate and manage the Software and Environmental Business Clusters at 2 North First Street and the International Business Incubator at 111 North Market Street.

CEQA: Resolution No. 64273.

Public Hearing held. Public testimony received. Approved.

6.2 Approval of an Exclusive Negotiations Agreement for the North San Pedro Housing Brandenburg development site.

Recommendation: Approval of an Exclusive Negotiations Agreement for a 240-day period with Olson Urban Housing, LLC, Green Valley Corporation, and Urban Housing Group, Inc., for a planned mixed use residential development of Agency properties located at 178 & 201 Bassett Street; 129, 149, 153, 160, 185, 188, 190 & 255 West Julian Street; 274, 276, 290, 340 & 380 Terraine Street, and 181 Devine Street; 320, 328, 340, 345, 353 North San Pedro, and City properties located under such roadways as may be vacated, and State of California Property located at 255 Bassett, and 331 Terraine. CEQA Resolution No. 72170.

Item 6.2 deferred to November 9, 2004.

6 PRIVATE DEVELOPMENT (Continued)

6.3 Approval of an amendment to the agreement with SFC Residential Partners providing for loan pay-off by the Developer.

Recommendation:

- (a) Approval of the First Amendment to the Amended and Restated Loan Agreement with SFC Residential Partners, providing for loan pay-off by the Developer, in the amount of \$5,122,850, and eliminating the Developer's obligation to market and sell the residential units.
Approved.
- (b) Adoption of a resolution approving the addition of \$5,122,850 to the FY 2004- 2005 Adopted Other/Miscellaneous revenue.
Agency Resolution No. 5554 adopted.

7 JOINT REDEVELOPMENT AGENCY/COUNCIL

7.1 Adoption of resolutions pertaining to the FY 2004-2005 Redevelopment Agency Capital Budget and the FY 2005-2006 Capital Improvement Program.

Recommendation: Adoption of resolutions by the Agency Board pertaining to the Agency's annual budget, CIP, and public improvements, follows:

Public testimony received. City Attorney, Richard Doyle, requested that the Story & King items be voted on separately so that Council Member Gregory could abstain from that portion.

- (a) Approving the FY 2005-2006 Capital Improvement Program.
Resolution No. 5551 adopted. Abstain: Gregory (with regard to Story & King items).
- (b) Amending the FY 2004-2005 Revenue Resolution to reflect various modifications to the FY 2004-2005 Revenues; and,
- (c) Amending the FY 2004-2005 Appropriations Resolution to reflect various modifications to the FY 2004-2005 Operating and Capital Budgets.
Resolution No. 5552 adopted for Item 7.1(b) and (c). Abstain: Gregory (with regard to Story & King items).

CLOSED SESSION REPORT

None.

OPEN FORUM

None.

ADJOURNMENT

The regular session of the meeting adjourned at 5:40 p.m.