

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: HONORABLE MAYOR, CITY COUNCIL, AND REDEVELOPMENT AGENCY	FROM: HARRY S. MAVROGENES DEBRA FIGONE
SUBJECT: SEE BELOW	DATE: MAY 8, 2009

INFORMATION

SUBJECT: RESPONSE TO CITY COUNCIL/AGENCY BOARD
REFERRAL: APRIL 7, 2009 ITEM 9.1 – A'S STADIUM IN
SAN JOSE

At the April 7, 2009, Joint City Council/Redevelopment Agency Board meeting, staff was directed to prepare a response to the following items:

- 1) An overview of the improvements necessary on the potential stadium site;
- 2) Estimated appraisal value of the properties still needed for the potential stadium site;
- 3) The amount spent on property acquisitions to date and the estimated cost to complete the remaining acquisitions; and,
- 4) An outline of a community outreach strategy.

1) Overview of Improvements Necessary on the Stadium Site:

As there is not an agreement for the development of a stadium, a list of improvements necessary for a potential stadium site is not yet known. Although the proposed negotiating principles would require the Major League Baseball team to be responsible for the development of the stadium, it is anticipated that, consistent with most Agency Disposition and Development Agreements, an Agreement with a Major League Baseball team may require the Agency to deliver the land in a certain condition (e.g., clear of buildings, free of hazardous materials, and clear of utilities and other public easements).

2) Estimated Appraisal Value of Properties Still Needed:

Agency staff is continuing to work with property owners and tenants within the potential stadium site to acquire their property. These remaining properties represent approximately 6.29 acres within the stadium site boundaries, which includes the entire PG& E site. Release of appraisal information/estimated value on these properties is not appropriate at this time because Agency staff is continuing to negotiate with these property owners.

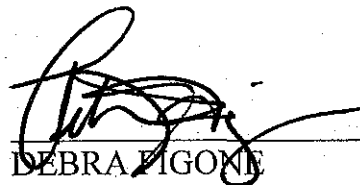
3) Property Acquisition Costs To Date and Estimated Future Costs:

To date, the Agency has spent \$25,119,520 to acquire properties within the stadium site and an additional \$1,146,655 to acquire one property on the northeast corner of San Fernando and Autumn Streets. The total amount spent on acquisition is \$26,266,175 for 4.85 acres.


4) Community Outreach Strategy:

The May 12, 2009 staff report (Attachment A) outlines the proposed community engagement process.

Please contact John Weis, Assistant Executive Director, at 795-1894 if you have any questions on the information provided in this memorandum.



DEBRA FIGONI
City Manager


HARRY S. MAVROGENES
Executive Director

Attachment

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: HONORABLE MAYOR, CITY COUNCIL, AND REDEVELOPMENT AGENCY	FROM: HARRY S. MAVROGENES DEBRA FIGONE
SUBJECT: SEE BELOW	DATE: MAY 1, 2009

SUBJECT: APPROVAL OF ACTIONS RELATED TO THE DEVELOPMENT OF A MAJOR LEAGUE BASEBALL STADIUM IN THE CITY OF SAN JOSE

RECOMMENDATION

It is recommended that the Redevelopment Agency Board and City Council adopt resolutions:

- (a) Expressing the desire of the City of San Jose to support the A's, if Major League Baseball favors a relocation of the A's to San Jose, and expressing the willingness of the City of San Jose to work with the A's to develop a Major League Baseball Stadium on the site located at Park Avenue and Autumn/Montgomery Streets; and,
- (b) Establishing Negotiating Principles for the development of a Major League Baseball stadium in the Diridon area of downtown San Jose; and,
- (c) Directing the Executive Director and City Manager to commence a community engagement program regarding a baseball stadium and other potential development activities in the Diridon area.

OUTCOME

Approval of negotiating principles will establish the basis for the negotiation of business terms with Major League Baseball or the A's for the development of a baseball stadium if Major League Baseball favors a relocation of the A's to San Jose. The community engagement program will promote an understanding of the issues and identify potential solutions to neighborhood concerns.

BACKGROUND

On April 7, 2009, the Agency Board and City Council held a joint meeting to discuss the potential for a Major League Baseball stadium in the Diridon area. Staff was directed to assess what steps should be taken to prepare the site at Park Avenue and Autumn/Montgomery Streets for potential consideration of Major League Baseball. Additionally, staff was directed to prepare a community outreach program.

Staff was also directed to return to City Council with a resolution indicating the desire of the City of San Jose to support the A's, if Major League Baseball favors a relocation of the A's to San Jose, and, indicating the willingness of the City of San Jose to work with the A's to develop a Major League Baseball stadium on the site located at Park Avenue and Autumn/Montgomery Streets.

A set of negotiating principles has been developed to guide any future discussions with Major League Baseball or the A's organization. This memorandum asks for Agency Board and City Council approval of these negotiating principles, and requests approval of a community engagement process to deal with issues and concerns raised by residents and businesses both locally and citywide.

ANALYSIS

The earlier actions taken in April 2009 and the actions proposed below evidence the desire of the City Council and Agency Board to support the A's if Major League Baseball favors a relocation of the A's to San Jose, and indicates the City's willingness to accommodate the A's on the site located at Park Avenue in San Jose.

Approval of the recommended actions would establish the following negotiating principles that would guide future discussions between Agency and City staff and Major League Baseball or the A's.

1. The stadium development must generate a significant economic benefit to San Jose and have a positive impact on the City of San Jose's General Fund.
2. The Major League Baseball team, at no cost to the City of San Jose, will be responsible for financing and building the stadium structure and improvements on the approximate 14-acre designated stadium site.

3. The Major League Baseball team will be responsible for financing all stadium operating costs related to its activities within the stadium site and surrounding area.
4. The name of the Major League Baseball team must include San Jose.
5. If the City or Redevelopment Agency recommend a contribution in the form of land or a financial contribution for any other ballpark specific items, a vote by the citizens of San Jose will be required on the stadium project.

A recommended community engagement program is outlined below and further described in Attachment A. To facilitate and encourage public dialogue with residents and businesses within and adjacent to the stadium site, as well as the general public, the process consists of four key strategies.

1. Individual and small group meetings.
2. Formal town hall meetings in each of the ten council districts
3. The formation of a Diridon Area Good Neighbor Committee
4. A dedicated web site

Each of these components is designed to encourage dialogue in different forms. The discussion during the community engagement process will not be limited to the potential stadium development. There are currently several studies and projects in the planning stages for the Diridon area. These studies include High Speed Rail with an expanded Diridon Station, the BART extension, and an updated land use plan for the Diridon area. While High Speed Rail and BART are not assured at this time, these components should be integrated into the public discussion along with the potential baseball stadium.

EVALUATION AND FOLLOW-UP

Staff will prepare a status report on its work effort for discussion at the June 2009 Community and Economic Development Committee meeting. During this time period, staff will undertake additional environmental studies including traffic and parking, as well as economic studies to evaluate the potential impacts and the business terms associated with a potential development.

PUBLIC OUTREACH/INTEREST

Although the proposed action does not meet the criteria noted below for added outreach efforts, the Agency Board and City Council public discussion of a potential stadium on April 7, 2009, and this memorandum, establish an ongoing process for additional public engagement. This staff report was posted on the Agency's and City's website and made available for public review in the Agency's public lobby area. A more formal community engagement process outlined in Attachment A of this package will be the basis for outreach to residents and businesses throughout San Jose over the next four to six months.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach.

COORDINATION

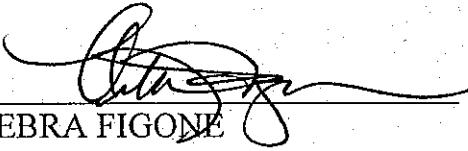
This report was prepared in coordination with the City Attorney's Office and Agency's General Counsel.

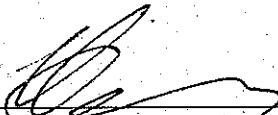
FISCAL IMPACT

There are no funding requirements associated with the actions proposed in this memorandum.

CEQA

Not a project. Establishing negotiating principles and a public outreach program for a potential future Major League Baseball stadium will not result in a direct or reasonably foreseeable indirect change in the environment. Any potential future City decision to approve or carry out the construction and operation of a Major League Baseball stadium in San Jose will be informed by appropriate environmental review pursuant to CEQA.


DEBRA FIGONE
City Manager


HARRY S. MAVROGENES
Executive Director

Attachment

COMMUNITY ENGAGEMENT PROCESS

In order to ensure the development of the Diridon Area as a great place it is essential to build support with, and learn from, neighborhoods, business, labor and other stakeholders. This requires a community engagement process which will inform staff efforts and City Council/Redevelopment Agency Board actions in the future for all projects in the Diridon Area.

The first phase of this community engagement process will focus on the potential for a Major League Baseball team and its stadium in the Diridon Area. The process will begin by listening to residents and businesses nearby the potential stadium site. This listening will help identify the concerns, perspectives, and interests of the neighboring community. These concerns and interests will be discussed as part of the work of a Good Neighbor Committee composed of key stakeholders.

The community engagement process will include:

- ***Individual and small group meetings*** with neighbors, businesses and other stakeholders. These more informal meetings allow City and Agency staff to; listen to stakeholders' perspectives, understand the deeper underlying interests, and provide more detailed responses to questions than is usually possible in a larger group setting.
- ***Formal town hall meetings*** to take place in each Council District with the opportunity for interested members of the public to both learn about potential projects and provide their feedback. This citywide outreach will be supported by the use of the web presence described below.
- ***Formation of a Diridon Area Good Neighbor Committee.*** This Committee, whose membership will be approved by the City Council, will be a forum for communication among various stakeholders, and be an instrument to advise the City Council on key development and operational issues in the Diridon Area.
- ***Dedicated Web presence*** to allow stakeholders to stay informed with pertinent and current content including project specific information and copies of relevant documents, the ability to sign up for regular e-mail updates, and the opportunity to directly provide feedback. The information from the web presence will be shared with the Diridon Area Good Neighbor Committee.

This initial phase of the community outreach and engagement process will take place prior to any vote of the citizens of San Jose regarding a potential Major League Baseball Stadium. If, after this initial process is concluded, a ballot measure is passed by voters, the community engagement process will continue.