

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: REDEVELOPMENT AGENCY BOARD	FROM: HARRY S. MAVROGENES EXECUTIVE DIRECTOR
SUBJECT: SEE BELOW	DATE: JULY 2, 2009

INFORMATION

SUBJECT: STATUS REPORT FIRE MUSEUM IN FIRE STATION #1


In December 2007, the Redevelopment Agency Board directed the Agency staff to work with the San Jose Fire Museum (SJFM), a 501(c)(3) organization, to request that they submit a comprehensive feasibility plan that included a fundraising program for the purpose of developing a City Fire Museum in Fire Station #1. As part of the feasibility plan they were asked to include a detailed construction budget, three and ten year operating budgets, a staffing plan and letters of commitments from prospective donors.

SJFM submitted a business plan in May 2008 that included most, but not all, of the specific items that were asked to be included in the plan. Most importantly, the fundraising plan and funding commitments from donors were not included and have proven to be most difficult for the SJFM to secure. John McMillan, President of SJFM, has informed Agency staff that the organization raised approximately \$20,000 in 2007 and approximately \$40,000 in 2008. In January, 2008 renovation costs for Fire Station #1 as a museum were estimated at \$13,519,805, by a SJFM contractor excluding architectural and engineering costs and permit fees.

Despite SJFM's interest in developing this property into a fire museum, it is still a priority of the Agency's to see residential housing developed on the site. This type of development remains consistent with the Greater Downtown Strategy for Development approved by the City Council on June 21, 2005. Additionally, it is the Agency's position that housing on this site is supportive of the North San Pedro Housing Development approved by the Council for a 600-unit residential project and for which the agency recently received a \$24 million grant from the State's Department of Housing and Community Development.

The Agency secured the old Fire Station #1 by entering into a Property Use and Land Transfer Agreement pursuant to the FY 1998-99 City/Agency Cooperation Agreement, dated September 8, 1998. Under the terms of the agreement, the Agency would develop a replacement facility for Fire Station #1 which would provide the latest technology to house appropriate equipment and to better serve the downtown. The Agency paid \$5.5 million for the construction of the new Fire Station #1 and, in exchange, the City deeded the old Fire Station #1 to the Agency as a future residential development site.

Agency staff has continued meeting with John McMillan and other Board members of the SJFM to discuss the development of their plan and their success in raising funds for the construction and operation of the museum. The Agency and SJFM have jointly agreed to delay agendizing this item for the Agency Board until this fall at which time there will be a status report on the project.


HARRY S. MAVROGENES
Executive Director