

REDEVELOPMENT AGENCY AMENDED AGENDA

FEBRUARY 24, 2009

PETE CONSTANT
ASH KALRA
SAM LICCARDO
KANSEN CHU
NORA CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

CHUCK REED – CHAIR

PIERLUIGI OLIVERIO DISTRICT 6
MADISON P. NGUYEN DISTRICT 7
ROSE HERRERA DISTRICT 8
JUDY CHIRCO DISTRICT 9
NANCY PYLE 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 Boardmembers and Chairperson.

If you wish to address the Redevelopment Agency about an issue that is not on the agenda, you may speak during the "Open Forum" during the City Council's meeting. The Council/Agency is unable to take action on issues presented during "Open Forum."

The Agenda following this page contains a Consent Calendar section for routine business items requiring Redevelopment Agency approval, as well as general business items arranged corresponding to the Agency's Critical Service Areas. The Critical 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 Critical 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 provide input on agenda items by filling out a BLUE Speaker's Card and submitting it to the City Clerk or Agency's Clerk during the meeting. If you wish to speak to the Agency, some tips to help you are noted below:

- **Submit a speaker's card before the meeting and before the item is heard.** This will ensure that your name is called for the items you wish to address, and ensure 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 Agency from the speaker's podium.
- 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.

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 meets on Tuesdays, following the City Council's meeting at 1:30 p.m.

Agendas and staff reports for Redevelopment Agency Board agenda items may be viewed on the Internet at <http://www.sjredevelopment.org/agendas>. Board Meetings are televised live and rebroadcast on Channel 26.

All public records relating to an open session item on this agenda that are not exempt from disclosure pursuant to the California Public Records Act and that are distributed to a majority of the legislative body will be available for public inspection at the Redevelopment Agency at San Jose City Hall, 200 E. Santa Clara St, 14th Floor, San Jose, CA 95113-1903 at the same time that the public records are distributed or made available to the Redevelopment Agency Board.

To arrange an accommodation under the Americans with Disabilities Act to participate in this public meeting, please call (408) 535-8500 or (408) 294-9337 (TTY) at least three business days before the meeting.

On occasion the Redevelopment Agency may consider agenda items out of order.

- **Call to Order and Roll Call**
9:30 a.m. - Closed Session, Call to Order in Council Chambers
Adjourn to Closed Session in Council Chambers Conference Room W133
See Separate Agenda
1:30 p.m. - Regular Session, Council Chambers, City Hall
The Agency Board agenda will be considered following conclusion of the Open Forum on the City Council's agenda.
- **Open Forum**
To be heard jointly during the City Council's Open Forum. Members of the Public are invited to speak on any item that does not appear on today's agenda and that is within the subject matter jurisdiction of the Redevelopment Agency Board.
- **Closed Session Report**
- **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.
See Item 9 on the City Council Agenda for description of any City Council agendized items relating to the Redevelopment Agency.
- * **Items marked with an asterisk denote changes or additions to the previously published Agenda for this meeting.**

1 CEREMONIAL ITEMS

2 CONSENT CALENDAR

Notice to the public: There will be no separate discussion of Consent Calendar items as they are considered to be routine by the Agency and will be adopted by one motion. If a member of the Redevelopment Agency Board, staff, or public requests discussion on a particular item, that item will be removed from the Consent Calendar and considered separately.

2.1 Approval of Board Meeting Minutes.

Recommendation: Approval of Redevelopment Agency Minutes for:

- (a) Regular meeting of January 27, 2009.

2.2 Report of the Rules and Open Government Committee – January 28, 2009. Chair Reed, Chairperson

- (a) Review February 3, 2009, Final Agenda: Meeting cancelled.
- (b) Review February 10, 2009, Draft Agenda.
- (c) Assign “Time Certain” for convening Redevelopment Agency Agenda.

2.3 Report of the Rules and Open Government Committee – February 4, 2009. Chair Reed, Chairperson

- “4. 1 Review February 10, 2009, Final Agenda.
- 4.2 Review February 17, 2009, Draft Agenda: Meeting cancelled.
- 10.4 Required Disclosure of Property Interests: Property Disclosure within the San Antonio Plaza Redevelopment Project Area by Mark DeCastro, Senior Deputy City Attorney.

3 GENERAL

4 NEIGHBORHOOD IMPROVEMENT STRATEGIES

5 HOUSING

6 PUBLIC FACILITIES AND SPACES

7 PRIVATE DEVELOPMENT

7.1 Owner Participation Agreement with Black Sea Gallery Development, LLC, related to the building at 27 South First Street.

Recommendation: Adoption of a resolution authorizing the Executive Director to negotiate and execute an Owner Participation Agreement with Black Sea Gallery Development, LLC, to facilitate the occupancy of a Ross Dress For Less at 27 South First Street, and such other documents as necessary to facilitate the transaction. CEQA: Resolution No. 72767, Use of San Jose Downtown Strategy 2000 FEIR, File No. PP09-025. [PUEBLO UNO]

8 JOINT REDEVELOPMENT AGENCY/COUNCIL

See item 9 on the City Council's Agenda, which will be heard and action taken only during the Council meeting that begins at 1:30 p.m. today, for any Redevelopment-related actions on that agenda.

CONVENE CITY COUNCIL TO CONSIDER ITEMS 8.1 – 8.4 IN A JOINT SESSION

8.1 Actions related to an Amended and Restated Disposition and Development Agreement with Block 3 Development Partners, LLC, for the development of Block 3.

Recommendation: Public Hearing followed by City Council and Redevelopment Agency actions:

- (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 Block 3, including additional Agency assistance for improvements to the ground floor commercial space and the public garage of Block 3, Phase I – The 88.

8 JOINT REDEVELOPMENT AGENCY/COUNCIL

- 8.1 (b) Approval by the Redevelopment Agency Board of the Amended and Restated [Disposition and Development Agreement with Block 3 Development Partners](#), LLC, for the development of Block 3 (Phase I -The 88 and Phase II) to increase Agency assistance to the Phase I project by \$1,850,000 to attract a new grocery store and an additional \$841,075 to address payment of other items arising out of the DDA for a total increase of \$2,691,075; to revise the project description; and to modify the schedule of performance. **SUPPLEMENTAL MEMO**
- (c) Adoption of resolutions by the Redevelopment Agency Board:
- (1) Authorizing the Executive Director to negotiate and execute an [Agreement with Block 3 Development Partners](#) to define procedures and protocols to correct water infiltration issues in the Central Place public parking garage after garage conveyance to the Agency; and,
 - (2) Approving an adjustment to the FY 2008-09 Adopted Capital Budget to reallocate \$160,000 from the Downtown Business Improvements & Loan project line to the Downtown Mixed Use Projects line in the Merged Redevelopment Area, and amending the [FY 2008-2009 Agency appropriations resolution](#).

CEQA: Resolution No. 71039.1, Use of Mixed Use Project and Century Center Plan Amendment EIR and addenda thereto, File No. H04-038. **[SAN ANTONIO PLAZA]**

8.2 [Approval of a Cooperation Agreement between the City and Agency and related actions for a proposed Spartan Keys Neighborhood Action Center.](#)

Recommendations:

- (a) [Adoption of a resolution by the City Council](#) making certain determinations required by Redevelopment Law, Health and Safety Code Section 33445, for Redevelopment Agency funding of construction of improvements for the proposed Spartan Keys Neighborhood Action Center, which will be located in space proposed to be subleased for that purpose in the Spartan Keys SNI area.

8 JOINT REDEVELOPMENT AGENCY/COUNCIL

- 8.2 (b) City Council and Redevelopment Agency Board approval of a [Cooperation Agreement](#) providing for:
- (1) The Agency to fund the initial security deposit of \$5,000 of the proposed sublease for the Center;
 - (2) The Agency to fund rent payments for the 5-year term of the proposed sublease for the Center in an amount not to exceed \$136,961;
 - (3) The Agency to fund certain tenant improvements and fixtures, furniture and equipment (FF&E) for the proposed Center in an amount not to exceed \$80,000; and,
 - (4) The City to maintain and operate the Spartan Keyes Neighborhood Action Center pursuant to the proposed sublease.
- (c) City Council approval of a five-year sublease [agreement with ROEM Development Corporation](#) for 2,256 square feet of commercial space on the ground floor of a building located at 570 Keyes Street, at a rental rate of \$2,256 per month for nine months of the first year of the sublease with the first three months free and annual increases of 3% for a total amount not to exceed \$136,961 for the five-year sublease period.
- (d) [Adoption of a resolution](#) by the City Council authorizing the City Manager to negotiate and execute any further ancillary agreements, sublease amendments or other documents necessary to complete the transaction.
- (e) Adoption by the City Council of the following Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund in the amount of \$105,304 for FY 2008-2009:
- (1) Increase the appropriation to the Department of Public Works for Non-Personal/Equipment by \$25,304;
 - (2) Establish a City-Wide appropriation to the General Services Department for the Spartan Keyes Neighborhood Action Center Tenant Improvements in the amount of \$80,000; and,
 - (3) Increase the estimate for Earned Revenue by \$105,304.
- CEQA: Mitigated Negative Declaration and Addenda Thereto, File No. PD04-065.
[SPARTAN KEYES SNI]

8 JOINT REDEVELOPMENT AGENCY/COUNCIL

8.3 Approval of a Building Rehabilitation and Loan Agreement with Urban Markets, LLC, for improvements related to the San Pedro Square Urban Market. Supplemental - D3

Recommendations: It is recommended that:

- (a) The Redevelopment Agency Board adopt a [resolution approving a Building Rehabilitation and Loan Agreement with Urban Markets, LLC](#) (Developer), in an amount not to exceed \$5,000,000 for private improvements and \$1,000,000 for off-site public improvements related to the San Pedro Square Urban Market generally located in the vicinity of 87 North San Pedro and 196 West Saint John Street and authorize the Executive Director to negotiate and execute all documents necessary to implement the transaction described in the Agreement.
- (b) The Agency Board adopt a [resolution approving a shift of \\$4,000,000 from the adopted FY 2009-2010 Two-Year Spending Plan](#) to the FY 2008-2009 Adopted Capital Budget for the San Pedro Square Urban Market project line in the Merged Redevelopment Area, and amending the FY 2008-2009 Agency appropriations resolution.
- (c) The City Council direct the City Attorney and City Administration to draft appropriate ordinances and/or documents for Phase 1 of the Project to allow:
 - (1) Revocable license to use City streets and rights of way for kiosks and carts for the Project;
 - (2) Master vendor permit for multiple vendor sites within the Project;
 - (3) Renaming of the Market Street Garage to reflect the new project; and,
 - (4) Joint use of the Peralta Adobe and Fallon House properties by History San Jose and Developer.
- (d) Direction by the Agency Board and City Council to staff to discuss with the Developer the alternatives for the future acquisition and/or use of the parking lot located directly west of the Fallon House (West Parking Lot) and the property referred to as the North Garage Space.

CEQA: Resolution No. 72767, Downtown Strategy 2000 Final EIR, File No. PP09-024. [SNI]

*** (TO BE HEARD IN THE EVENING)**

8 JOINT REDEVELOPMENT AGENCY/COUNCIL

8.4 Approval of an Amended and Restated DDA with Green Valley Corporation for development of property on the northwest corner of N. Second St. and E. Saint James St.

Recommendations:

- (a) **Adoption of a resolution** by the City Council accepting the 33433 Summary Report and Re-Use Valuation pursuant to the California Health and Safety Code Section 33433 for the sale and development of Agency-owned property on the northwest corner of North Second Street and East Saint James Street (APN 467-01-118).
- (b) **Adoption of a resolution** by the Redevelopment Agency Board approving the **Amended and Restated Disposition and Development Agreement (DDA) with Green Valley Corporation** and authorizing the Executive Director to execute ancillary documents as contemplated by the Amended DDA to close escrow subject to compliance with the terms of the DDA, and to negotiate and execute amendments to the DDA substantially in conformance with the intent of the DDA and as reasonably necessary to conform to lender requirements.

CEQA: Administrative EIR Findings For Final Supplemental Environmental Impact Report for Park View Towers Project Adopted by Director of PBCE on 6/4/08 in connection with File Nos. H05-029, HP05-002 and HP05-003.

[MERGED]

ADJOURN CITY COUNCIL PORTION OF THE MEETING

- **Adjournment**

CITY OF SAN JOSE CODE OF CONDUCT FOR PUBLIC MEETINGS IN THE COUNCIL CHAMBERS AND COMMITTEE ROOMS

The Code of Conduct is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, Redevelopment Agency Board, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.

1. Public Meeting Decorum:

- a) Persons in the audience will refrain from behavior which will disrupt the public meeting. This will include making loud noises, clapping, shouting, booing, hissing or engaging in any other activity in a manner that disturbs, disrupts or impedes the orderly conduct of the meeting.
- b) Persons in the audience will refrain from creating, provoking or participating in any type of disturbance involving unwelcome physical contact.
- c) Persons in the audience will refrain from using cellular phones and/or pagers while the meeting is in session.
- d) Appropriate attire, including shoes and shirts are required in the Council Chambers and Committee Rooms at all times.
- e) Persons in the audience will not place their feet on the seats in front of them.
- f) No food, drink (other than bottled water with a cap), or chewing gum will be allowed in the Council Chambers and Committee Rooms, except as otherwise pre-approved by City staff.
- g) All persons entering the Council Chambers and Committee Rooms, including their bags, purses, briefcases and similar belongings, may be subject to search for weapons and other dangerous materials.

2. Signs, Objects or Symbolic Material:

- a) Objects and symbolic materials, such as signs or banners, will be allowed in the Council Chambers and Committee Rooms, with the following restrictions:
 - No objects will be larger than 2 feet by 3 feet.
 - No sticks, posts, poles or other such items will be attached to the signs or other symbolic materials.
 - The items cannot create a building maintenance problem or a fire or safety hazard.
- b) Persons with objects and symbolic materials such as signs must remain seated when displaying them and must not raise the items above shoulder level, obstruct the view or passage of other attendees, or otherwise disturb the business of the meeting.

CITY OF SAN JOSE CODE OF CONDUCT FOR PUBLIC MEETINGS IN THE COUNCIL CHAMBERS AND COMMITTEE ROOMS (CONT'D)

- c) Objects that are deemed a threat to persons at the meeting or the facility infrastructure are not allowed. City staff is authorized to remove items and/or individuals from the Council Chambers and Committee Rooms if a threat exists or is perceived to exist. Prohibited items include, but are not limited to: firearms (including replicas and antiques), toy guns, explosive material, and ammunition; knives and other edged weapons; illegal drugs and drug paraphernalia; laser pointers, scissors, razors, scalpels, box cutting knives, and other cutting tools; letter openers, corkscrews, can openers with points, knitting needles, and hooks; hairspray, pepper spray, and aerosol containers; tools; glass containers; and large backpacks and suitcases that contain items unrelated to the meeting.

3. Addressing the Council, Redevelopment Agency Board, Committee, Board or Commission:

- a) Persons wishing to speak on an agenda item or during open forum are requested to complete a speaker card and submit the card to the City Clerk or other administrative staff at the meeting.
- b) Meeting attendees are usually given two minutes to speak on any agenda item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Applicants and appellants in land use matters are usually given more time to speak.
- c) Speakers should discuss topics related to City business on the agenda, unless they are speaking during open forum.
- d) Speakers' comments should be addressed to the full body. Requests to engage the Mayor, Council Members, Board Members, Commissioners or Staff in conversation will not be honored. Abusive language is inappropriate.
- e) Speakers will not bring to the podium any items other than a prepared written statement, writing materials, or objects that have been inspected by security staff.
- f) If an individual wishes to submit written information, he or she may give it to the City Clerk or other administrative staff at the meeting.
- g) Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.

Failure to comply with this Code of Conduct which will disturb, disrupt or impede the orderly conduct of the meeting may result in removal from the meeting and/or possible arrest.