



# REDEVELOPMENT AGENCY BOARD

## MINUTES

**JANUARY 25, 2011**

PETE CONSTANT  
ASH KALRA  
SAM LICCARDO  
KANSEN CHU  
XAVIER E. CAMPOS

DISTRICT 1  
DISTRICT 2  
DISTRICT 3  
DISTRICT 4  
DISTRICT 5

CHUCK REED – CHAIR

PIERLUIGI OLIVERIO  
MADISON P. NGUYEN  
ROSE HERRERA  
DONALD ROCHA  
NANCY PYLE

DISTRICT 6  
DISTRICT 7  
DISTRICT 8  
DISTRICT 9  
DISTRICT 10

## Call to Order and Roll Call

**9:30 a.m.** - Closed Session, Council Chambers Conference Room W133

**Absent:** None.

**1:51 p.m.** - Regular Session, Council Chambers, City Hall

**Absent:** None.

- Open Forum
- Closed Session Report
- Orders of the Day

The Orders of the Day were approved with items 8.1 and 8.4(b) deferred to February 1, 2011. (11-0)

## 2 CEREMONIAL ITEMS

---

None

## 8 JOINT REDEVELOPMENT AGENCY/COUNCIL

---

*Items 9.1 – 9.3 on the City Council's Agenda related to “Confirmation of Vice Mayor and Vice Chair”, “Good Neighbor Committee Recommendations”, and the “Diridon Station Area Master Plan”, were heard and action taken during the Council meeting.*

The City Council convened at 1:51 p.m. to consider Items 8.2 – 8.3 in a Joint Session.

### 8.1 Discussion of proposed State budget actions and impacts to Redevelopment Agency budgeting.

#### Recommendation:

- (a) Acceptance of the Agency's Financial Progress Report;
  - (b) Discussion of proposed State budget actions and impacts to Redevelopment Agency and City of San Jose budgets; and,
  - (c) Direction to Agency and City Administrations.
- CEQA: Not a project. [MERGED]

*(Item continued on the next page)*

## 8 JOINT REDEVELOPMENT AGENCY/COUNCIL

---

*(Cont'd)*

- 8.1 Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated January 21, 2011, recommending acceptance of the Agency's Financial Progress Report.

Action: Deferred to February 1, 2011. (11-0)

- 8.2 **Approval of a Capital Equipment and Assistance Agreement and a Participation Agreement with Maxim.**

**Recommendations:**

- (a) Adoption of a resolution by the Redevelopment Agency Board authorizing the Executive Director to negotiate and execute a Capital Equipment and Assistance Agreement with Maxim Integrated Products, Inc., and the City of San Jose, in which the Redevelopment Agency will provide an amount not to exceed \$500,000 for the acquisition of industrial and manufacturing equipment to be installed at Maxim's new global headquarters and existing fabrication facility in the Rincon de Los Esteros Redevelopment Project Area; and making certain findings as required by California redevelopment law.
- (b) Adoption of a resolution by the City Council authorizing the City Manager to:
- (1) Negotiate and execute a Capital Equipment and Assistance Agreement with Maxim and the Redevelopment Agency, in which the City will provide an amount not to exceed \$500,000 for the acquisition of equipment to be installed at Maxim's new headquarters and existing fabrication facility in San Jose, and for payment of fees and taxes associated with Maxim's relocation and expansion; and,
  - (2) Negotiate and execute a Participation Agreement with Maxim that will provide funding in an amount equal to 50% of the City's 5% of net new utilities taxes generated by Maxim's new headquarters facility for five consecutive years.

CEQA: Not a Project, File No. PP10-066(a). [RINCON DE LOS ESTEROS]

*(Item continued on the next page)*

## **8 JOINT REDEVELOPMENT AGENCY/COUNCIL**

---

*(Cont'd)*

- 8.2 Documents Filed:** Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes and City Manager Debra Figone, dated January 20, 2011, recommending: a) adoption of a resolution by the Redevelopment Agency Board authorizing the Executive Director to negotiate and execute a Capital Equipment and Assistance Agreement with Maxim Integrated Products, Inc., and the City of San Jose, and making certain findings; and b) adoption of a resolution by the City Council authorizing the City Manager to 1) negotiate and execute a Capital Equipment and Assistance Agreement with Maxim and the Redevelopment Agency for the acquisition of equipment and for payment of fees and taxes associated with Maxim's relocation and expansion; and 2) to negotiate and execute a Participation Agreement with Maxim that will provide funding in an amount equal to 50% of the City's 5% of net new utilities taxes generated by Maxim's new headquarters facility for five consecutive years.

Public Comments: Phil Tomac spoke in support of item 8.2.

Action: Agency Resolution No. 6001 adopted. Council Resolution No. 75714 adopted. (11-0)

- 8.3 Approval of a Capital Equipment and Assistance Agreement with SunPower.**

**Recommendations:**

- (a) Adoption of a resolution by the Redevelopment Agency Board authorizing the Executive Director to negotiate and execute a Capital Equipment and Assistance Agreement with SunPower Corporation and the City of San Jose, in which the Agency will provide an amount not to exceed \$500,000 for the acquisition of industrial and manufacturing equipment to be installed at SunPower's new global headquarters in the Rincon de Los Esteros Redevelopment Project Area; and making certain findings as required by California redevelopment law.

*(Item continued on the next page)*

## 8 JOINT REDEVELOPMENT AGENCY/COUNCIL

---

(Cont'd)

8.3 (b) Adoption of a resolution by the City Council authorizing the City Manager to:

- (1) Negotiate and execute a Capital Equipment and Assistance Agreement with SunPower and the Redevelopment Agency, in which the City will provide an amount not to exceed \$500,000 for the acquisition of equipment to be installed at SunPower's new headquarters in San Jose.
- (2) Negotiate and execute a Participation Agreement with SunPower that will provide funding in an amount equal to 50% of the City's 5% of net new utilities taxes received from SunPower for five consecutive years, and 50% of the City's 1% of net new sales taxes received from SunPower for five consecutive years.

CEQA: Not a Project, File No. PP10-066(a). [RINCON DE LOS ESTEROS]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes and City Manager Debra Figone, dated January 20, 2011, recommending: a) adoption of a resolution by the Redevelopment Agency Board authorizing the Executive Director to negotiate and execute a Capital Equipment and Assistance Agreement with SunPower Corporation and the City of San Jose, and making certain findings; and b) adoption of a resolution by the City Council authorizing the City Manager to 1) negotiate and execute a Capital Equipment and Assistance Agreement with SunPower and the Redevelopment Agency for the acquisition of equipment and for payment of fees and taxes associated with SunPower's relocation and expansion; and 2) to negotiate and execute a Participation Agreement with SunPower that will provide funding in an amount equal to 50% of the City's 5% of net new utilities taxes received from SunPower for five consecutive years and 50% of the City's 1% of new new sales taxes received from SunPower for five consecutive years.

Public Comments: Julie Blunden spoke in support of item 8.3.

Action: Agency Resolution No. 6002 adopted. Council Resolution No. 75715 adopted. (11-0)

## **8 JOINT REDEVELOPMENT AGENCY/COUNCIL**

---

**8.4 In response to the Governor's proposed State budget package and proposals for FY 2011-12, which include recommending the elimination of redevelopment agencies "to realign the delivery of state services to counties and local governments" and eliminate a projected State deficit of \$25.4 billion, the City Manager and Agency Executive Director recommend the following actions intended to provide flexibility to fund the Agency's existing debt obligations and to reaffirm the Agency's obligations and appropriation of funding for its previously approved FY 2010-11 Operating Budget, its Three-Year Capital Improvement Plan and other contractual obligations.**

### **Recommendation:**

- (a) City Council and Agency Board by motion, makes a good faith, reasonable determination by a 2/3 vote of the body that an issue has arisen that must be resolved in less than 4 days.
- (b) Adoption of resolutions by the Agency Board and City Council authorizing the Executive Director and City Manager to negotiate and execute a Cooperation Agreement between the City of San Jose and the San Jose Redevelopment Agency relating to funding certain Redevelopment Agency capital improvements, public improvements and obligations located within currently designated redevelopment project areas.
- (c) Adoption of resolutions by the Agency Board, the San Jose Financing Authority Board and the City Council authorizing the Agency Executive Director, the City Manager, the Executive Director of the Financing Authority and the Housing Department Director to negotiate and execute agreements necessary to protect and secure existing obligations and to acquire, construct, develop and implement projects specified in the Agency and City's approved capital improvement plan and City's five-year affordable housing plan as specified herein.
- (d) Adoption of a resolution by the City Council making certain findings and determinations as may be necessary.
- (e) Adoption of resolutions by the Agency Board and City Council authorizing the Director of Housing to negotiate and execute agreements in the amount of \$1.43 million of Low- and Moderate-Income Housing funds (20% funds) to Eden Housing or its affiliate for the Ford & Monterey Special Needs Housing Project (Project) in order to meet federal Stimulus (NSP2) timeframes; and make a finding that the use of 20% Low- and Moderate-Income Housing Funds outside a redevelopment project area for the affordable housing to be provided by the Project and its Phase II benefits the Agency's redevelopment project areas.

*(Item continued on the next page)*

## 8 JOINT REDEVELOPMENT AGENCY/COUNCIL

---

(Cont'd)

- 8.4 Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes and City Manager Debra Figone, dated January 19, 2011, recommending that: a) the Redevelopment Agency Board and City Council by motion, make a good faith, reasonable determination by a 2/3 vote of the body that an issue has arisen that must be resolved in less than 4 days; b) approval by the Agency Board and City Council of a Cooperation Agreement between the City of San Jose and the San Jose Redevelopment Agency relating to funding certain Redevelopment Agency capital improvements, public improvements and obligations located within currently designated redevelopment project areas; c) the Agency Board, City Council and San Jose Financing Authority Board adopt resolutions authorizing the Agency Executive Director, the City Manager, the Executive Director of the Financing Authority and the Housing Department Director to negotiate and execute agreements necessary to protect and secure existing obligations and to acquire, construct, develop and implement projects specified in the Agency and City's approved capital improvement plan and City's five-year affordable housing plan as specified herein; d) adopt a resolution by the City Council making certain findings and determinations as may be necessary; and e) City Council adopt a resolution authorizing the Director of Housing to negotiate and execute agreements in the amount of \$1.43 million of Low- and Moderate-Income Housing funds to Eden Housing or its affiliate for the Ford & Monterey Special Needs Housing Project in order to meet federal Stimulus timeframes; and make a finding that the use of 20% Low- and Moderate-Income Housing Funds outside a redevelopment project area for the affordable housing to be provided by the Project and its Phase II benefits the Agency's redevelopment project areas.

Memorandum from Mayor Chuck Reed, dated January 21, 2011, recommending that action related to approval of a Cooperation Agreement {item 8.4(b) above} between the City of San Jose and the San Jose Redevelopment Agency for funding of certain Redevelopment Agency capital improvements, public improvements, and obligations be deferred until February 1.

Actions:

- Item 8.4(a) was approved at the Jan 19, 2011, Special Meeting.  
Item 8.4(b) was deferred to February 1, 2011.  
Item 8.4(c) was approved at the Jan 19, 2011, Special Meeting.  
Item 8.4(d) was dropped, no action required.  
Item 8.4(e) was approved at the Jan 19, 2011, Special Meeting.

**The City Council portion of the meeting adjourned at 2:15 p.m.**

## **2 CONSENT CALENDAR**

---

### **2.1 Approval of Minutes.**

- (a) Approval of Redevelopment Agency Minutes for the Regular meeting of December 7, 2010.
- (b) Approval of Redevelopment Agency Minutes for the Regular meeting of December 14, 2010.

Documents Filed: Regular minutes of December 7 and December 14, 2010.

Action: The Redevelopment Agency minutes of December 7 and December 14, 2010 were approved. (10-0-1) Absent: Constant.

### **2.2 Approval of Council/Board Committee Reports.**

- (a) Report of the Rules and Open Government Committee – December 1, 2010. (Mayor)
- (b) Report of the Rules and Open Government Committee – December 8, 2010. (Mayor)
- (c) Report of the Rules and Open Government Committee – December 15, 2010. (Mayor)
- (d) Report of the Public Safety, Finance and Strategic Support Committee – December 16, 2010. (Nguyen)

**2.2** Documents Filed: Reports of the Rules and Open Government Committee meetings of December 1, December 8, and December 15, 2010, and the Report of the Public Safety, Finance and Strategic Support Committee of December 16, 2010.

Action: Reports of the Rules and Open Government Committee meetings of December 1, December 8, and December 15, 2010, and the Report of the Public Safety, Finance and Strategic Support Committee of December 16, 2010, were approved. (10-0-1) Absent: Constant.

## **3 GENERAL**

---

### **3.1 Report of the Executive Director, Harry S. Mavrogenes (Verbal Report)**

Action: No report.

### **3 GENERAL**

---

#### **3.2 Approval of the Redevelopment Agency's revised Conflict of Interest Code**

**Recommendation:** Adoption of a resolution amending the Conflict of Interest Code for the Redevelopment Agency of the City of San Jose. CEQA: Not a project. [MERGED]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated January 13, 2011, recommending adoption of a resolution amending the Conflict of Interest Code for the Redevelopment Agency.

Action: Agency Resolution No. 6003 adopted. (10-0-1) Absent: Constant.

#### **3.3 Approval of an agreement with Keyser Marston Associates, Inc., for financial consulting services.**

**Recommendations** Approval of an agreement with Keyser Marston Associates, Inc., in an amount not to exceed \$120,000, for real estate and financial consulting services. CEQA: Not a project. [MERGED]

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated January 14, 2011, recommending approval of an agreement with Keyser Marston Associates, Inc., for real estate and financial consulting services.

Action: The agreement with Keyser Marston Associates, Inc., for real estate and financial consulting services was approved. (10-0-1) Absent: Constant.

### **4 NEIGHBORHOOD IMPROVEMENT STRATEGIES**

---

None

### **5 HOUSING**

---

None

### **6 PUBLIC FACILITIES AND SPACES**

---

None

## **7 PRIVATE DEVELOPMENT**

---

### **7.1 Approval of an amendment to the agreement with AECOM for environmental monitoring services.**

**Recommendations:** Approval of the ninth amendment to the agreement with AECOM (formerly Earth Tech, Inc.), in the amount of \$56,036 for a total agreement amount not to exceed \$502,489, for ongoing environmental monitoring and reporting services for the Adobe Systems Phase II sites at 345 Park Avenue and 151 Almaden Boulevard, and extending the term of the agreement by one year to February 28, 2012. CEQA: Downtown Strategy EIR, Resolution No. 72767. **[PARK CENTER PLAZA]**

Documents Filed: Memorandum from Executive Director of Redevelopment Agency Harry S. Mavrogenes, dated January 19, 2011, recommending approval of the ninth amendment to the agreement with AECOM for ongoing environmental monitoring and reporting services for the Adobe Systems Phase II sites.

Action: The ninth amendment to the agreement with AECOM was approved. (10-0-1) Absent: Constant.

- **Adjournment**  
**The Redevelopment Agency Board adjourned at 2:21 p.m.**

**ATTEST:**

  
\_\_\_\_\_  
**HARRY S. MAVROGENES, SECRETARY**