

**MINUTES OF THE JOINT SAN JOSÉ CITY COUNCIL
AND REDEVELOPMENT AGENCY BOARD**

SAN JOSÉ, CALIFORNIA

TUESDAY, FEBRUARY 15, 2005

The Council of the City of San José convened at 4:43 p.m. to hear Items 8.1 and 8.2 in a Joint Session with the Redevelopment Agency Board in Council Chambers at City Hall.

Present: Council Members - Campos, Chavez, Chirco, Cortese, LeZotte, Pyle, Reed, Williams, Yeager; Gonzales.

Absent: Council Members - None.

JOINT REDEVELOPMENT AGENCY/CITY COUNCIL ITEM

- 8.1 (a) Adoption of a resolution by the City Council accepting the summary of costs and findings of the Summary 33433 Report and the Estimated Reuse Valuation pursuant to the California Health and Safety Code Section 33433 for the lease to San Jose Credit Union of approximately 2,500 square feet of City-owned ground floor retail space at 88 South Fourth Street, Suite 110/120 that is master leased to the Redevelopment Agency, and making certain findings.**
- (b) The City Council and Redevelopment Agency approval of a lease with San José Credit Union for the property located at 88 South Fourth Street, Suite 110/120, for approximately 2,500 square feet of ground floor retail space.**
- (c) Adoption of a resolution by the City Council authorizing the City Manager to execute a Certificate of Nondisturbance and Attornment with San José Credit Union under the terms of the Master Lease between the City and the Redevelopment Agency.**

CEQA: Exempt; PP05-015 [CIVIC PLAZA]

Documents Filed: Memorandum from Redevelopment Agency Interim Director Harry Mavrogenes, and City Manager Del Borgsdorf, dated February 15, 2005, recommending adoption of a resolution and approval of the lease.

Action: Upon motion by Vice Mayor Chavez, seconded by Council Member Campos, and carried unanimously, Resolution No. 72543: entitled: "A Resolution of the Council of the City of San José Accepting the Summary of Costs and Findings of the Summary 33433 Report and the Estimated Reuse Valuation Pursuant to the California Health and Safety Code Section 33433 for the Lease to San José Credit Union of Approximately 2,500 Square Feet of City Owned Ground Floor Retail Space at 88 South Fourth Street, Suite 110/120 that is Master Leased to the Redevelopment Agency, and Making Certain Findings; and Authorizing the City Manager to Execute a Certificate of Nondisturbance and Attornment with San José Credit Union under the Terms of the Master Lease Between the City and the Redevelopment Agency", was adopted, and the lease with San José Credit Union was approved. (10-0.)

- 8.2 (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 the Downtown Mixed Use Project (Second/Santa Clara and Block 3) with CIM Urban Real Estate Fund, L.P.
- (b) Adoption of a resolution by the Redevelopment Agency Board approving the Third Amendment to the Disposition and Development Agreement (DDA) with CIM Urban Real Estate Fund, L.P. (CIM), reducing Agency project assistance in the Downtown Mixed Use Project by \$3,410,000; capping the Agency's responsibility for remediation expenses at \$2,500,000 and Parking Plus expenses at \$13,370,000; modifying the project description and modifying the Agency's participation formula; and authorizing the Executive Director to execute the same and to close escrow subject to compliance with the terms of the Amended DDA, and to negotiate, execute, accept and record all necessary documents, easements, agreements with adjoining property owners and amendments to the Amended DDA as reasonably necessary to conform to lender requirements and to facilitate implementation of the Amended DDA and the future conveyance and development of the Block 3 Site.
- (c) Adoption of resolutions by the City Council and Redevelopment Agency Board authorizing the City Manager and the Executive Director to execute documents with the Department of Housing and Urban Development (HUD) to borrow \$13,000,000 in Section 108 funds, accept a \$2,000,000 Brownfield Economic Development Initiative grant, and allow for the use of the Agency-owned Market/Balbach property (APNs 264-30-010 through 264-30-028 and APN 264-30-136) as collateral for the HUD Section 108 loan for the construction of Parking Plus spaces in the Downtown Mixed Use Project.
- (d) Adoption of a resolution by the Redevelopment Agency Board approving the addition of \$1,940,000 to the Parking Plus FY 2005-06 CIP, a reduction of \$1,940,000 in the Downtown Mixed Use Projects FY 2005-06 CIP and a shift of \$500,000 from the FY 2005-06 CIP to the Adopted FY 2004-05 Capital Budget for Mixed Use Project Area Environmental Containment project line in the Merged Redevelopment Area, and amending the FY 2004-2005 Agency appropriations resolution.

CEQA: Supplemental EIR pursuant to CEQA Guidelines 15162, Resolution No. 71039.1; H04-038 [MERGED]

Documents Filed: Memorandum from Redevelopment Agency Interim Director Harry Mavrogenes, dated February 15, 2005, recommending adoption of resolutions.

Public Comment: William Garbett spoke in opposition to the Staff recommendation.

8.2 (Cont'd.)

Action: Upon motion by Vice Mayor Chavez, seconded by Council Member Campos, and carried unanimously, Resolution No. 72544, entitled: “A Resolution of the Council of the City of San José 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 the Downtown Mixed Use Project (Second/Santa Clara and Block 3) with CIM Urban Real Estate Fund, L.P.”; Redevelopment Agency Board Resolution No. 5578; Resolution No. 72545, entitled: “A Resolution of the Council of the City of San José Authorizing the City Manager to Execute Documents with the Department of Housing and Urban Development (HUD) to Borrow \$13 Million in Section 108 Funds, Accept a \$2 Million Brownfield Economic Development Initiative Grant, and Allow for the Use of the Agency Owned Market/Balbach Property (APNs 264-30-010 through 264-30-028 and APN 264-30-136) as Collateral for the HUD Section 108 Loan for the Construction of Parking Plus Spaces in the Downtown Mixed Use Project”; Redevelopment Agency Board Resolution No. 5579, and Redevelopment Agency Board Resolution No. 5580, were adopted, with Staff requested to submit redlined copies to Council when amending a document in order to follow the changes. (10-0.)

ADJOURNMENT

The Council of the City of San José, and Redevelopment Agency Board adjourned at 5:08 p.m.

RON GONZALES, MAYOR

ATTEST:

LEE PRICE, CMC, CITY CLERK

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