



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **FROM:** Paul Krutko

SUBJECT: SEE BELOW

DATE: November 6, 2008

Approved

Deanna Antua

Date

11/6/08

COUNCIL DISTRICT: Citywide

SUBJECT: PUBLIC HEARING RELATED TO THE FORMATION OF A CONVENTION CENTER FACILITIES DISTRICT

RECOMMENDATION

Open the Public Hearing in connection with the formation of a Convention Center Facilities District to authorize the levy of special taxes pursuant to the City of San José Convention Center Facilities District financing procedure and authorizing other related actions, and adoption of a resolution to continue the Public Hearing to January 13, 2009.

OUTCOME

Upon City Council approval of the recommendation, the Public Hearing related to the formation of the Convention Center Facilities District (the "CCFD") will be opened and continued to January 13, 2009.

BACKGROUND

On September 30, 2008, the City Council adopted a Resolution of Intention (the "ROI") to form the CCFD. The ROI set a Public Hearing on November 18, 2008, for the consideration of the establishment of the CCFD. At the Public Hearing, the testimony of all interested persons or taxpayers, including property owners and registered voters within the CCFD, for or against the proposed establishment of the CCFD and the levy of the proposed special tax, the extent of the CCFD, the acquisition or construction of any of the facilities, the establishment of the appropriations limit, or on any other matters, will be heard and considered.

As noted in the supplemental memorandum to Council for the September 30, 2008, meeting, staff will provide a plan of finance at the Public Hearing that addresses the following costs related to the renovation and expansion of the Convention Center:

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- Construction
- Ongoing capital repair and replacement
- Relocation of City employees currently housed at the former MLK Library
- Operating expenses during the construction period

Staff recommended that to the extent the plan of finance was still under development at the time of the Public Hearing, staff would recommend continuance of the Public Hearing.

On October 27, 2008, staff made a presentation to the City Council Community and Economic Development Committee that provided an update on operating expenses during the construction period and described a mechanism for funding ongoing capital repair and replacement.

ANALYSIS

The Resolution of Intent setting the Public Hearing for November 18, 2008, provides that the hearing may be continued from time to time, but shall be completed within 30 days, except that if the City Council finds that the complexity of the CCFD or that the need for public participation requires additional time, the Public Hearing may be continued from time to time for a period not to exceed six months.

At this time, staff believes that the plan of finance will be available by the January 13, 2009, Council Meeting. The complexity of the potential financing of the project requires additional coordination among the City, the Agency and the ConVis Bureau.

EVALUATION AND FOLLOW-UP

If the City Council accepts staff's recommendation, the Public Hearing will be opened and continued to January 13, 2009.

PUBLIC OUTREACH/INTEREST

The Clerk will cause notice of the November 18, 2008, Public Hearing to be published in a newspaper in accordance with the Act. If approved by Council, the Public Hearing regarding the formation of the District will be continued to January 13, 2009.

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- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 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. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This staff report has been prepared by the Finance Department in coordination with the City Manager's Office, the City Attorney's Office, and the Redevelopment Agency.

CEQA

Resolution No. 72767. On June 21, 2005, the City Council made findings with Resolution No. 72767 in connection with the adoption of the Downtown Strategy 2000. The Program EIR for the Downtown Strategy 2000 addressed the Convention Center expansion project at a programmatic, or highly conceptual, level. Subsequent environmental review will be completed based on the more detailed project description that will be an outcome of the City Council/Agency Board's design direction. The City Council/Agency Board's ultimate action to authorize the Convention Center expansion would be informed by this subsequent environmental review.



PAUL KRUTKO
Chief Development Officer

For questions, please contact Paul Krutko, Chief Development Officer, at (408) 535-8181.