

## **SPECIAL MINUTES OF THE REDEVELOPMENT AGENCY**

**SAN JOSE, CALIFORNIA**

**TUESDAY, JUNE 17, 2011**

The Redevelopment Agency of the City of San José convened in Special Session at 1:35 p.m. in the Council Chambers at City Hall.

Present: Board Members - Campos (1:41 p.m.), Chu, Constant, Kalra, Liccardo, Nguyen, Oliverio, Pyle, Rocha; Reed.

Absent: Board Members - Herrera. (Excused)

### **ORDERS OF THE DAY**

Upon motion by Board Member Nguyen, seconded by Board Member Liccardo and carried unanimously, the Orders of the Day and the Amended Agenda were approved. (9-0-2. Absent: Campos, Herrera.)

### **CONSENT CALENDAR**

Upon motion by Board Member Constant, seconded by Board Member Nguyen and carried unanimously, the Consent Calendar was approved and the below listed actions were taken as indicated. (9-0-2. Absent: Campos, Herrera.)

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

- (a) **Approval of Redevelopment Agency Minutes for the Budget Study Session on May 19, 2011.**

Documents Filed: The Redevelopment Agency Minutes dated May 19, 2011.

Action: The Minutes were approved. (9-0-2. Absent: Campos, Herrera.)

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

### **(a) Report of the Rules and Open Government Committee – June 1, 2011. (Mayor)**

Documents Filed: Report of the Rules and Open Government Committee dated June 1, 2011.

Action: The Committee Report was approved. (9-0-2. Absent: Campos, Herrera.)

## **2.3 Adoption of a resolution amending the Redevelopment Agency Bylaws to add a new provision to Article II, Officers, to allow the Redevelopment Agency Board, by resolution, to appoint a Managing Director and to delegate or temporarily suspend, as provided in such resolution, the functions of any of the other Agency officers or Agency activities for such period as determined by the Agency Board.**

Documents Filed: Memorandum from General Counsel Richard Doyle, dated June 10, 2011, recommending adoption of a resolution.

Action: Resolution No. 6018, entitled: “A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José Amending the Redevelopment Agency Bylaws to Add a New Provision to Article II, Officers, To Allow the Redevelopment Agency Board, By Resolution, To Appoint a Managing Director and To Delegate or Temporarily Suspend, As Provided in Such Resolution, The Functions of any of the Other Agency Officer Positions or Agency Activities for Such Period as Determined by the Agency Board”, was adopted. (9-0-2. Absent: Campos, Herrera.)

## **2.4 Adoption of a resolution appointing Richard Keit as Managing Director, setting his compensation and delegating and temporarily suspending the functions of other Agency officers or Agency activities for such period as determined by the Agency Board.**

Documents Filed: Memorandum from Mayor Reed, dated June 13, 2011, recommending adoption of a resolution.

Action: Resolution No. 6019, entitled: “A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José Appointing Richard Keit as Managing Director and Delegating and Temporarily Suspending the Functions of Other Agency Officer Positions or Agency Activities for Such Period as Determined by the Agency Board”, was adopted. (9-0-2. Absent: Campos, Herrera.)

**END OF CONSENT CALENDAR**

## **PUBLIC FACILITIES AND SPACES**

- 6.1 It is recommended that the Redevelopment Agency Board adopt a resolution approving an increase in the contingency for the construction contract with Garden City Construction for the Civic Auditorium Project, in the amount of \$91,000, comprised of cost savings achieved through reductions within other line items in the Civic Auditorium Project Budget Line Item and with no increase to the budget. CEQA: Categorically Exempt, File No. PP10-156. [PARK CENTER PLAZA]**

Documents Filed: Memorandum from Redevelopment Agency Board Executive Director Harry Mavrogenes, dated June 9, 2011, recommending adoption of a resolution.

Action: Upon motion by Board Member Constant, seconded by Board Member Liccardo and carried unanimously, Resolution No. 6020, entitled: “A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José Approving an Increase in the Contingency for the Construction Contract with Garden City Construction for the Civic Auditorium Project, In The Amount of \$91,000, Comprised of Cost Savings Achieved Through Reductions With Other Line Items in the Civic Auditorium Project Budget Line Item”, was adopted. (9-0-2. Absent: Campos, Herrera.)

## **PRIVATE DEVELOPMENT**

- 7.1 Approval of the second amendment modifying the Loan Assignment and Modification Agreement with Zanotto's Downtown Market, Inc. CEQA: Not a Project, File PP10-066, agreements and contracts. [CENTURY CENTER]**

Documents Filed: Memorandum from Redevelopment Agency Board Executive Director Harry Mavrogenes, dated June 9, 2011, recommending approval of the second amendment.

Redevelopment Agency Board Executive Director Harry Mavrogenes presented introductory comments and responded to questions from the Board Members.

Board Member Campos arrived at the meeting at 1:41 p.m.

Public Comments: Speaking in favor of the Staff recommendations were Troy Tibbits, Fred Zanotto and Danny Zamora, Zanotto’s Downtown Market and David Wall.

Action: Upon motion by Board Member Liccardo, seconded by Board Member Pyle and carried unanimously, the second amendment modifying the Loan Assignment and Modification Agreement with Zanotto's Downtown Market, Inc., was approved. (10-0-1. Absent: Herrera.)

**7.2 Approval of the sixth amendment to the Sublease and Co-Sponsorship Operating Agreement with the San Jose State University Research Foundation (SJSURF) for the management of the San Jose BioCenter, extending the Agency's obligation to pay the base rent for the BioCenter through June 30, 2012, in an amount not to exceed \$395,215.20. CEQA: Not a Project, File No. PP10-066(f), lease of existing space for the same use. [EDENVALE]**

Documents Filed: Memorandum from Redevelopment Agency Board Executive Director Harry Mavrogenes, dated June 9, 2011, recommending approval of the sixth amendment to the Sublease and Co-Sponsorship Operating Agreement with the San Jose State University Research Foundation.

Public Comments: Adrian Brozell spoke in support to the Staff recommendations.

Mary Sydney, Chief Operating Officer, San José State University Research Foundation, presented clarification on the Transition Plan and responded to Board Member questions and comments.

Action: Upon motion by Board Member Nguyen, seconded by Board Member Pyle and carried unanimously, the sixth amendment to the Sublease and Co-Sponsorship Operating Agreement with the San Jose State University Research Foundation (SJSURF) for the management of the San Jose BioCenter, extending the Agency's obligation to pay the base rent for the BioCenter through June 30, 2012, in an amount not to exceed \$395,215.20, was approved. (10-0-1. Absent: Herrera.)

**7.3 Approval of a Continuation and First Amendment to the Sublease and Co-sponsorship Agreement with the Northern California Small Business Development Center, a program of Humboldt State University Sponsored Programs Foundation, and the fiscal sponsor and operator of the Entrepreneur Center (eCenter), extending the sublease agreement to June 30, 2012, at no additional cost to the budget. CEQA: Not a Project, File No. PP10-066(f), lease of existing space for the same use. [PUEBLO UNO]**

Documents Filed: Memorandum from Redevelopment Agency Board Executive Director Harry Mavrogenes, dated June 9, 2011, recommending approval of a continuation and first amendment to the sublease and co-sponsorship agreement.

Action: Upon motion by Board Member Nguyen, seconded by Board Member Pyle and carried unanimously, a Continuation and First Amendment to the Sublease and Co-sponsorship Agreement with the Northern California Small Business Development Center, a program of Humboldt State University Sponsored Programs Foundation, and the fiscal sponsor and operator of the Entrepreneur Center, extending the sublease agreement to June 30, 2012, at no additional cost to the budget, was approved. (10-0-1. Absent: Herrera.)

- 7.4 Approval of the third amendment to the lease with Brian Eder and Cherri Lakey, individuals dba Two Fish Design, at 366 South First Street to extend the term by five years, through October 25, 2017, and maintain the current rent amount. CEQA: Not a project, File No. PP10-066(f), lease of existing space for the same use. [MARKET-GATEWAY]**

Documents Filed: Memorandum from Redevelopment Agency Board Executive Director Harry Mavrogenes, dated June 9, 2011, recommending approval of the third amendment to the lease.

Action: Upon motion by Board Member Liccardo, seconded by Board Member Nguyen and carried unanimously, the third amendment to the lease with Brian Eder and Cherri Lakey, individuals dba Two Fish Design, at 366 South First Street to extend the term by five years, through October 25, 2017, and maintain the current rent amount, was approved. (9-0-2. Absent: Constant, Herrera.)

## **JOINT REDEVELOPMENT AGENCY/COUNCIL**

The Redevelopment Agency convened at 2:17 p.m. to consider Items 8.1 and 8.2 in a Joint Session.

- 8.1 Adoption of resolutions by the Redevelopment Agency Board approving and adopting the FY 2011-12 Revenue and Appropriations Resolutions; and, authorizing the rebudgeting of remaining FY 2010-11 Operating and Capital Budget appropriation balances to FY 2011-12 for ongoing projects and programs previously approved by the Redevelopment Agency Board. CEQA: Not a Project. [MERGED]**

Documents Filed: (1) Memorandum from Council Member Liccardo, dated June 17, 2011, recommending the allocation of \$950,000 to Center for Employment Training as described below in “Action”. (2) Memorandum from Redevelopment Agency Board Executive Director Harry Mavrogenes, dated June 16, 2011, recommending adoption of resolutions, appropriation resolutions and approving the Redevelopment Agency FY2011-2011 Operating and Capital Budgets. (3) The Redevelopment Agency Proposed FY2011-2011 Operating and Capital Budgets Binder.

Council Member Liccardo moved approval of the Staff recommendations and his memorandum dated June 17, 2011, with direction as indicated in “Action” on Page 5. Vice Mayor Nguyen seconded the motion.

Public Comments: Hermelinda Sapien, Center for Employment Training (CET), expressed her appreciation for the support of the City Council and the inclusion of the allocation of monies to CET.

## 8.1 (Cont'd.)

Action: On a call for the question, the motion carried, the memorandum from Council Member Liccardo, dated June 17, 2011, was approved, with the following revisions: (1) Allocate \$950,000 to Center for Employment Training (CET) to use as a match with a \$3 Million federal grant for renovation and rehabilitation of the historic CET main building, pulling from Economic Uncertainty Reserve. (2) The Executive Director was directed to execute whatever documents appear necessary to release funds for the purposes outline in the August 13, 2008 letter from Harry Mavrogenes; Redevelopment Agency Resolution No. 6021, entitled: “A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José Approving the Capital Budget for Fiscal Year 2011-2012 for the Redevelopment Agency of the City of San José”; Redevelopment Agency Resolution No. 6022, entitled: “A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José Approving the Operating Budget for Fiscal Year 2011-2012 for the Redevelopment Agency of the City of San José”; Redevelopment Agency Resolution No. 6023, Entitled: “A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José Adopting the Revenue Resolution for Fiscal Year 2011-2012”; Redevelopment Agency Resolution No. 6024, entitled: “A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José for Fiscal Year Beginning July 1, 2011 and Ending June 30, 2012, Appropriating and Authorizing the Expenditure of Monies During Said Fiscal Year” and Redevelopment Agency Resolution No. 6025 adopted, entitled: “A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José Authorizing the Executive Director to Rebudget the Remaining FY2010-2011 Operating and Capital Budgets Appropriation Balances to FY 2011-2012 for Ongoing Projects and Programs Previously Approved by the Agency Board”, were adopted, as amended. (8-1-2. Noes: Oliverio. Absent: Constant, Herrera.)

## 8.2 **Adoption of resolutions by the Redevelopment Agency Board and the City Council approving the FY 2011-12 Cooperation Agreements between the City and the Redevelopment Agency for: (1) Capital Improvement Projects in the Merged Redevelopment Area; and (2) Support Services in the FY 2011-12 Operating Budget. CEQA: Not a Project. [MERGED]**

Documents Filed: Memorandum from Redevelopment Agency Board Executive Director Harry Mavrogenes, dated June 17, 2011, recommending adoption of resolutions.

Action: Upon motion by Council Member Liccardo, seconded by Council Member Rocha and carried unanimously, Resolution No. 75869, entitled: A Resolution of the Council of the City of San José Authorizing the City Manager to Negotiate and Execute the FY2011-2012 Cooperation Agreements Between the City of San José and Redevelopment Agency Regarding: (A) Capital Improvement Projects in the Merged Redevelopment Area and (B) Support Services in the FY2011-2012 Operating Budget” and Redevelopment

## **8.2 (Action Cont'd.)**

Agency Resolution No. 6026, entitled: “A Resolution of the Board of Directors of the Redevelopment Agency of the City of San José Authorizing the Executive Director to Negotiate and Execute the FY2011-2012 Cooperation Agreements Between the City of San José and Redevelopment Agency Regarding: (A) Capital Improvement Projects in the Merged Redevelopment Area and (B) Support Services in the FY2011-2012 Operating Budget”, were adopted, with the Executive Director and City Manager authorized to handle any other transitional costs between the Agency and the City. (9-0-2. Absent: Constant, Herrera.)

## **ADJOURNMENT**

The Redevelopment Agency was adjourned at 2:21 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Dennis D. Hawkins, CMC, Secretary  
City Clerk

/smd 06-17-11 SPEC RDA MIN