

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE: (I) APPROVING THE POTENTIAL SALE OF CERTAIN REAL PROPERTY LOCATED ALONG SOUTH MONTGOMERY STREET BETWEEN WEST SAN FERNANDO STREET AND PARK AVENUE IN SAN JOSE TO THE ATHLETICS INVESTMENT GROUP, LLC (AIG) PURSUANT TO AN OPTION AGREEMENT FOR THE SALE OF PROPERTY BETWEEN AIG AND THE AUTHORITY, AND (II) ACCEPTING THE SUMMARY REPORT, AND (III) MAKING CERTAIN FINDINGS**

**WHEREAS**, on March 8, 2011, the City of San Jose (“City”) and the Redevelopment Agency of the City of San Jose (“Agency”) formed a joint powers authority under the Joint Exercise of Powers Act to facilitate the development and redevelopment of the Diridon Area, located within the City of San Jose and bounded on the North by northerly line of the Julian Street right of way, bounded on the East by Los Gatos Creek, bounded on the South by southerly line of the Park Avenue right of way and bounded on the West by the westerly line of the railroad right of way adjacent to the Diridon station; and

**WHEREAS**, the Agency transferred certain Agency-owned property to the San Jose Diridon Development Authority (“Authority”), including properties located along South Montgomery Street between West San Fernando Street and Park Avenue in the Diridon Area (“Property”) that are part of a site that has been studied for a potential Major League Baseball Park; and

**WHEREAS**, a proposed Option Agreement for the Sale of Property between the Authority and the Athletics Investment Group, LLC (“AIG”) would provide for the sale of the Property to AIG to develop a Major League Baseball stadium; and

**WHEREAS**, the Joint Powers Agreement between the City and Agency provides that the Authority shall not sell or lease real property obtained with tax increment funds without compliance with the applicable requirements of California Redevelopment Law, Health and Safety Code Section 33000 *et. seq.*; and

**WHEREAS**, California Redevelopment Law provides in Section 33433 requires that (1) before any property acquired, in whole or in part, with tax increment monies is sold or leased for development pursuant to a redevelopment plan, such sale or lease shall first be approved by the City Council, after a duly noticed public hearing of the City Council, and (2) a copy of the proposed sale or lease and a summary which describes the financial aspects of the transaction shall be made available for public inspection; and

**WHEREAS**, a Summary Report has been prepared pursuant to Health & Safety Code Section 33433, containing information required by Section 33433, and said report and copies of the proposed Option Agreement were made available to the public for inspection prior to the hearing, as required by California Redevelopment Law; and

**WHEREAS**, the Summary Report concludes that the consideration for the Property is not less than the fair reuse value at the use and with the covenants and conditions imposed by the Authority; and

**WHEREAS**, the proposed development of the Property as a Major League Baseball stadium will assist in the elimination of blight by developing an under-utilized site, providing significantly enhanced public amenities and attractions for the region and will benefit not just the Strong Neighborhood Initiative Redevelopment Project Area but all of the Agency's Downtown redevelopment areas, creating a major catalyst for increased private investment in neighboring project areas with the attraction of event goers; and increased ridership of public transit systems; and

**WHEREAS**, the proposed development of the Property is consistent with the goal of the Agency's Five Year Implementation Plan to create economic development opportunities for business and property owners to strengthen the economic viability of the neighborhoods; and

**WHEREAS**, notice of a joint public hearing by the City Council and the Authority on the proposed Option Agreement has been duly published in accordance with the California Redevelopment Law; and

**WHEREAS**, the joint public hearing of the City Council and Authority was held on November 8, 2011;

**NOW, THEREFORE**, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

- i.) The potential sale of certain Authority-owned real property located along South Montgomery Street between West San Fernando Street and Park Avenue in San Jose to the Athletics Investment Group, LLC (AIG) pursuant to an Option Agreement for the Sale of Property between AIG and the Authority is approved; and
- ii.) The summary of costs and the findings of the Summary Report pursuant to California Health and Safety Code Section 33433 are accepted; and

- iii.) The sale of the property will assist in the elimination of blight, is consistent with the Implementation Plan for the Strong Neighborhoods Initiative Redevelopment Project Area, and the consideration for the Property is not less than the fair reuse value for the proposed use with the covenants and conditions to be imposed under the Option Agreement and the potential costs of the proposed project.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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CHUCK REED  
Mayor

ATTEST:

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DENNIS D. HAWKINS, CMC  
City Clerk