

RESOLUTION NO. 74045

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE ACCEPTING SUMMARY OF COSTS AND FINDINGS OF THE 33433 REPORT PURSUANT TO THE CALIFORNIA HEALTH AND SAFETY CODE SECTION 33433 FOR THE SALE AND DEVELOPMENT OF BLOCK 8, LOCATED AT 281 SOUTH FIRST STREET, UNDER THE TERMS AND CONDITIONS OF THE FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH CITY FRONT SQUARE, LLC AND CASA DEL PUEBLO, LP

WHEREAS, the Redevelopment Agency of the City of San Jose ("Agency") is presently engaged in redevelopment activities in the San Antonio Plaza Redevelopment Project Area ("Project Area"); and

WHEREAS, the Agency owns a 1.48 acre parcel of property located at 281 South First Street between South First and South Market Streets, fronting on the north side of San Carlos Street ("Site"); and

WHEREAS, on June 27, 2006, the Agency Board approved a Disposition and Development Agreement ("DDA") with City Front Square, LLC, an affiliate of UrbanWest Associates, and Casa del Pueblo Preservation Limited Partnership, an affiliate of Preservation Partners Development III, LLC (jointly, "Developer"), for the development of a mixed-use project of retail, residential and parking ("Project") on the Site and another parcel; and

WHEREAS, Agency staff is recommending that the Agency Board approve a First Amendment to the DDA to reduce the height of the two high-rise residential condominium towers thereby reducing the total number of for-sale residential units, reduce the purchase price payable to the Agency as consideration for the reduction in the number of units and for additional unforeseen excavation costs to be paid by the

Agency, reduce the public art requirement, provide for an avigation easement to the City and amend the Schedule of Performance; and

WHEREAS, Community Redevelopment Law provides in Section 33433 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) the Agency shall make available for public inspection a copy of the proposed sale or lease and a summary which describes the financial aspects of the transaction; and

WHEREAS, a Summary Report has been prepared pursuant to Health & Safety Code Section 33433, containing a summary of the key terms of the Project, costs, and other information required by Section 33433, and said report and copies of the proposed First Amendment to the DDA were made available to the public for inspection prior to the hearing, as required by Community Redevelopment Law; and

WHEREAS, the Section 33433 Summary Report concludes that the consideration for the Property is not less than the fair market value at its highest and best use; and

WHEREAS, the proposed disposition and development of the Site will assist in the elimination of blight by increasing the supply of Downtown housing, developing an underutilized site and encouraging other private investment in the area and is consistent with the goal of the Five Year Implementation Plan to eliminate conditions that negatively impact economic development of the community; and

WHEREAS, notice of a joint public hearing by the City Council and the Agency Board on the proposed First Amendment to DDA has been duly published in accordance with the Community Redevelopment Law; and

WHEREAS, the joint public hearing of the Agency Board and the City Council was held on October 2, 2007.

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

1. Accepts the summary of costs and the findings of the Summary Report pursuant to California Health and Safety Code Section 33433 for the disposition and development of a 1.48-acre parcel of property located at 281 South First Street between South First and South Market Streets, fronting on the north side of San Carlos Street; and

2. Finds that the consideration that the Agency will receive is not less than the fair market value at its highest and best use; and

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3. Finds that the project will assist in the elimination of blight and is consistent with the Agency's Implementation Plan for the San Antonio Plaza Project Area.

ADOPTED this 2nd day of October, 2007, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE,
LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS;
REED

NOES: NONE

ABSENT: NONE

DISQUALIFIED: NONE

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk