

**RESOLUTION NO. 74809**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE SALE OF CERTAIN AGENCY-OWNED PROPERTY LOCATED ON THE NORTHWEST CORNER OF NORTH SECOND STREET AND EAST SAINT JAMES STREET TO GREEN VALLEY CORPORATION, ACCEPTING THE 33433 SUMMARY REPORT AND RE-USE VALUATION, AND MAKING CERTAIN FINDINGS**

**WHEREAS**, the Redevelopment Agency of the City of San Jose ("Agency") is presently engaged in redevelopment activities in various redevelopment project areas; and

**WHEREAS**, in 1997, the Redevelopment Agency of the City of San Jose purchased real property known as the Church of Christ Site, having Assessor's Parcel Number 467-01-118, located north of Saint James Park and bounded on the south by East Saint James Street, on the southwest by a parcel known as the Lechter's Garage parcel, on the west by North First Street, on the north by Devine Street, and on the east by North Second Street ("Agency Property"); and

**WHEREAS**, in 2002, the Century Center Redevelopment Plan was amended by Ordinances No. 26660 and 26659 adding 31 acres including the Agency Property to the Century Center Redevelopment Area; and

**WHEREAS**, in 2003, the Agency Board approved a Disposition and Development Agreement ("Original DDA") with Green Valley Corporation doing business as Barry Swenson, Builder, ("Developer"), the owner of the Lechter's Garage parcel ("Developer Property") to provide for the development of the Agency Property for high-density for-sale housing with certain inclusionary affordability restrictions and the restoration and reuse of the First Church of Christ Scientist building; and

**WHEREAS**, in 2005, as the result of a legal challenge Ordinances No. 26660 and 26659 were repealed and as a result, the Agency Property is no longer within a redevelopment project area although it is in close proximity to several redevelopment project areas; and

**WHEREAS**, Developer has obtained most of the necessary permits and on June 4, 2008, findings for a Final Supplemental Environmental Impact Report were adopted in connection with the permits; and

**WHEREAS**, the Agency and the Developer have negotiated substantial changes to the terms of the Original DDA and the Developer has executed an Amended and Restated Disposition and Development Agreement (“DDA”) which reflects these changes, a copy of which is on file with the Agency; and

**WHEREAS**, Agency staff recommends that the Agency Board approve the DDA to facilitate the development of the Agency Property and Developer Property and to provide for high-density housing, temporary Agency parking rights, adaptive reuse of that the First Church of Christ Scientist building and an expedited time table for the restoration of that building (“Project”); 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 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 Agency Property is not less than the fair market value at its highest and best use; and

**WHEREAS**, the proposed disposition and development in the DDA will assist in the elimination of blight by removing dilapidated and vacant commercial buildings, restoring a historic structure, and enhancing the quality of life of present and future residents and is consistent with the goals of the Five Year Implementation Plan for the nearby redevelopment project areas to create an economically viable Downtown and rehabilitate existing properties with an emphasis on historic buildings; and

**WHEREAS**, notice of a joint public hearing by the City Council and the Agency Board on the proposed 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 February 24, 2009;

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

1. The sale of Agency-owned property located on the Northwest corner of North Second Street and East Saint James Street to Green Valley Corporation is approved; and
2. The summary of costs and the findings of the Summary Report pursuant to California Health and Safety Code Section 33433 are accepted; and

3. The consideration that the Agency will receive for the property is not less than the fair reuse value for the proposed use, with the covenants and conditions and development costs authorized by the Amended and Restated Disposition and Development Agreement; and

4. The project will assist in the elimination of blight and is consistent with the Agency's Implementation Plan for the nearby redevelopment project areas.

ADOPTED this 24<sup>th</sup> day of February, 2009, by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA,  
LICCARDO, NGUYEN, OLIVERIO, PYLE, REED.

NOES: NONE.

ABSENT: CHIRCO.

DISQUALIFIED: NONE.

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk