

**RESOLUTION NO. 75662**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE SALE TO SAN PEDRO LIFE I, LLC (FORMERLY GREEN VALLEY CORPORATION DBA BARRY SWENSON BUILDER) OF CERTAIN SITES LOCATED ON AGENCY-OWNED PROPERTY, GENERALLY LOCATED IN THE BLOCKS BOUNDED BY HIGHWAY 87 TO THE WEST, WEST SAINT JAMES STREET TO THE SOUTH, NORTH MARKET STREET TO THE EAST AND A UNION PACIFIC RAILROAD RIGHT OF WAY TO THE NORTH, ACCEPTING THE 33433 SUMMARY REPORT AND FINDING THAT THE SALE OF THE PROPERTY WILL ASSIST IN THE ELIMINATION OF BLIGHT, IS CONSISTENT WITH THE IMPLEMENTATION PLAN FOR THE JULIAN-STOCKTON REDEVELOPMENT PROJECT AREA AND THAT THE CONSIDERATION 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 DDA**

**WHEREAS**, the Redevelopment Agency of the City of San Jose ("Agency") is presently engaged in redevelopment activities in the Julian-Stockton Redevelopment Project Area ("Project Area"); and

**WHEREAS**, in September 2003, the Agency acquired approximately 5.28 acres in the area north of Julian Street, and combined with existing Agency-owned land, City right-of-way for Julian Street and State-owned surplus property, was identified as a land assembly site for the development of housing ("Site"); and

**WHEREAS**, on June 19, 2007, the Agency Board approved Disposition and Development Agreements ("DDAs") with the development team of Green Valley Corporation dba Barry Swenson Builder ("Swenson") and Olson Urban Housing LLC ("Olson"), for the development of the Site ("Project"); and

**WHEREAS**, on October 28, 2008, the Agency Board approved Amended and Restated DDAs with Swenson and Olson whereby, among other things, Olson's DDA was assigned to Intracorp San Francisco, dba North San Pedro Townhomes ("NSPT"); and

**WHEREAS**, Swenson has created a new affiliated entity, San Pedro Life I, LLC ("SPL"), which will be substituted for Swenson in the First Amendment to the DDA; 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 Amended and Restated 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 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 DDA; and

**WHEREAS**, the proposed disposition and development of the Site will assist in the elimination of blight by increasing the supply of Downtown housing on an underutilized site, creating public spaces, including a new park and the expansion of Pellier Park, strengthening the Project Area as a first-class residential location in San Jose, 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 the Amended and Restated 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 December 7, 2010;

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

1. The sale of certain sites located on Agency-owned property generally located in the blocks bounded by Highway 87 to the west, West St. James Street to the south, North Market Street to the east, and Union Pacific right-of-way to the north to San Pedro Life I, LLC 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 Disposition and Development Agreement; and

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4. The project will assist in the elimination of blight and is consistent with the Agency's Implementation Plan for the Julian-Stockton Redevelopment Project Area.

ADOPTED this 14<sup>th</sup> day of December, 2010, by the following vote:

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

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.



CHUCK REED  
Mayor

ATTEST



LEE PRICE, MMC  
City Clerk