CITY OF SAN JOSÉ, CALIFORNIA

MINUTES OF THE JOINT SAN JOSÉ CITY COUNCIL AND REDEVELOPMENT AGENCY BOARD

SAN JOSÉ, CALIFORNIA **TUESDAY, JUNE 29, 2004**

The Council of the City of San José convened at 8:55 p.m. to hear Items 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, and 7.7 in a Joint Session with the Redevelopment Agency Board in Council Chambers at City Hall.

Present: Council Members - Chavez, Chirco, Cortese, Dando, Gregory, LeZotte, Reed, Williams, Yeager; Gonzales.

Absent: Council Members - Campos. (Excused)

JOINT REDEVELOPMENT AGENCY/CITY COUNCIL ITEMS

7.1 (a) Approval of a Cooperation Agreement by the City Council and Agency Board that provides for the Agency's acquisition and the subsequent transfer of title from the Agency to the City of the Global Photon Property located at 466 Vendome Street, with acquisition costs not to exceed $815,000 and renovation costs not to exceed $100,000 with funding in the amount of $500,000 from the City and $415,000 from the Agency:

(b) Redevelopment Agency Board actions:

(1) Adoption of a resolution by Agency Board making certain findings required by Redevelopment Law related to the project primarily benefiting the Julian Stockton Redevelopment Area.

(2) Approval of a purchase agreement with Global West Network, Inc., in an amount not to exceed $815,000, for the purchase of the property located at 466 Vendome Street.

(3) Adoption of a resolution approving the addition of $500,000 in revenue, funds transferred from the City to fund the acquisition of the Global Photon property for the Guadalupe River Park to the FY 2003 – 04 Adopted Budget, and approving the addition of funds in the amount of $500,000 to the Adopted FY 2003 – 04 Capital Budget, Guadalupe River Park & Garden – Flood Control project line tin the Merged Redevelopment Area, and amending the FY 2003 – 04 Agency appropriations resolution.

(c) Adoption of a resolution by the City Council making certain determinations regarding the expenditure of Redevelopment Agency funds for the acquisition of property that will be publicly owned.

(Item continued on the next page)

7.1 (d) **Adoption by the City Council of the following Appropriation Ordinance amendments in the 2004-2005 Council District 3 Construction and Conveyance Tax Fund (Cont'd.)**

(1) Decrease the Global Photon Property Acquisition by $100,000; and

(2) Establish a transfer to the Redevelopment Agency in the amount of $100,000.

(e) **Adoption by the City Council of the following Appropriation Ordinance amendments in the 2004-2005 Council District 6 Construction and Conveyance Tax Fund:**

(1) Decrease the Global Photon Property Acquisition by $100,000; and,

(2) Establish a transfer to the Redevelopment Agency in an amount of $100,000.

(f) **Adoption by the City Council of the following Appropriation Ordinance amendments in the 2004-2005 City-wide Parks Construction and Conveyance Tax Fund:**

a. Decrease the Global Photon Property Acquisition by $300,000; and,

b. Establish a transfer to the Redevelopment Agency in an amount of $300,000.

(g) **Adoption of a resolution by the City Council authorizing the City Manager to execute an agreement with the Friends of the Guadalupe River Park and Gardens for the operation and maintenance of this property for a term not to exceed 20 years.**

CEQA: Exempt, PP04-06-193 [CENTURY CENTER]

Documents Filed: Memorandum from Redevelopment Agency Interim Executive Director Harry Mavrogenes, and City Manager Del Borgsdorf, dated June 29, 2004, recommending approval of the cooperation agreement, and adoption of the resolutions and ordinances.

Action: Upon motion by Council Member Chavez, seconded by Council Member Cortese, and carried unanimously, the Cooperation Agreement was approved; Redevelopment Agency Board Resolution Nos. 5530 and 5531; Resolution No. 72256, entitled: "A Resolution of the Council of the City of San José Making Certain Determinations Regarding the Expenditure of Redevelopment Agency Funds for the Acquisition and Improvement of Property at 466 Vendome Street that will be Publicly Owned"; Ordinance No. 27213, entitled: "An Ordinance of the City of San José Amending Ordinance No. 27196 to Appropriate Moneys in the Council District 3 Construction Tax and Property Conveyance Tax Fund for the Transfer to the Redevelopment Agency; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption"; Ordinance No. 27214, entitled: "An Ordinance of the City of San José Amending Ordinance No. 27196 to Appropriate Moneys in the Council District 6 Construction Tax and Property Conveyance Tax Fund for the Transfer to the Redevelopment Agency; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption"; Ordinance No. 27215, entitled: "An Ordinance of the City

7.1 **(Cont'd.)**

of San José Amending Ordinance No. 27196 to Appropriate Moneys in the City Wide Parks Construction and Conveyance Tax Fund for the Transfer to the Redevelopment Agency; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption"; and Resolution No. 72257, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to Execute an Agreement with the Friends of the Guadalupe River Park and Gardens for the Operation and Maintenance of the Property at 466 Vendome Street for a Term Not To Exceed Twenty Years", were adopted. (10-0-1. Absent: Campos.)

7.2 **(a) Adoption of resolutions by the City Council and Agency Board accepting the Amended 33433 Summary Report and Re-Use Appraisal, and finding that the disposition of property for the planned 42-unit for-sale residential project assists in the elimination of blight, is consistent with the Project Area objectives, 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 Disposition and Development Agreement (DDA); and,**

(b) Adoption of a resolution by the Agency Board approving the first amendment to the DDA, authorizing the Executive Director to execute ancillary documents as contemplated by the DDA, and to close escrow and to convey the Property subject to compliance with the terms of the DDA, and to negotiate and execute additional amendments to the DDA substantially in conformance with the intent of the DDA as reasonably necessary to conform to lender requirements.

CEQA: Resolution No. 68839, PP03-03-094, File No. PDC02-077 [JULIAN STOCKTON]

Documents Filed: (1) Memorandum from Redevelopment Agency Interim Executive Director Harry Mavrogenes, dated June 29. 2004, recommending adoption of the resolutions. (2) Memorandum from Kathleen Head, Keyser Marston Associates Inc., dated June 9, 2004, transmitting the update of the reuse valuation analysis for the subject project.

Action: Upon motion by Council Member LeZotte, seconded by Council Member Williams, and carried unanimously, with Mayor Gonzales abstaining due to a conflict of interest, living within five miles of the designated area, Resolution No. 72258, entitled: "A Resolution of the Council of the City of San José Accepting the Amended 33433 Summary Report and Re-Use Appraisal and Making Certain Findings in Connection with the Disposition and Development Agreement with North Keystone Limited Partnership"; Redevelopment Agency Board Resolution Nos. 5532 and 5532, were adopted. (9-0-1-1. Absent: Campos. Disqualified: Gonzales.)

7.3 (a) **By the City Council and Agency Board accepting the summary of costs and findings of the enclosed Amended Summary 33433 Report, pursuant to the California Health and Safety Code Section 33433, for the planned 38 to 42 unit for-sale residential project, and that the consideration for the site is not less than the fair reuse value; and,**

(b) **By the Agency Board approving the First Amendment to the Disposition and Development Agreement and authorizing the Executive Director to execute ancillary documents as contemplated by the First Amendment to the DDA, and to negotiate and execute additional amendments to this amended DDA substantially in conformance with the intent of the First Amendment to the DDA as reasonably necessary to comply with lender restrictions. (Cont'd.)**

CEQA: Resolution No. 68839, PDC02-077 [SNI: 13th Street]
(Continued from 6/8/04, Item 7.2)

Documents Filed: None.

Action: Item 7.3 was deferred to August 10, 2004.

7.4 (a) **Adoption of a resolution by the City Council making certain determinations required by Redevelopment Law, Health and Safety Code Section 33445, for Redevelopment Agency funding of City-owned streetscape improvements in the Tully-Senter Strong Neighborhoods Initiative neighborhood.**

(b) **Adoption of a resolution by the Agency Board awarding a contract to West Coast Arborists, Inc., the low bidder, in the amount of $115,100, and establishing a contingency in the amount of $11,500, for the McLaughlin Avenue Tree Planting Project.**

CEQA: Exempt, PP04-06-194 [SNI: TULLY-SENTER]

Documents Filed: Memorandum from Redevelopment Agency Interim Executive Director Harry Mavrogenes, dated June 29, 2004, recommending adoption of the resolutions.

Action: Upon motion by Council Member Gregory, seconded by Vice Mayor Dando, and carried unanimously, Resolution No. 72259, entitled: "A Resolution of the Council of the City of San José Making Certain Determinations Required by Redevelopment Law, Health and Safety Code Section 33445, for Redevelopment Agency Funding of City-Owned Streetscape Improvements in the Tully-Senter Strong Neighborhood Initiative Neighborhood"; and Redevelopment Agency Board Resolution No. 5533, were adopted. (10-0-1. Absent: Campos.)

7.5 (a) **Adoption of a resolution by the City Council making certain determinations required by Redevelopment Law regarding the expenditure of Redevelopment Agency funds on City-Owned public improvements.**

(b) **Adoption of a resolution by the Redevelopment Agency Board approving the reallocation of $50,000 from Alum Rock Youth Center to Mexican Heritage Corporation Grant new project line in the Neighborhood Investment Program Redevelopment Area to the Adopted FY 2003-2004 Capital Budget and amending the FY 2003-2004 Agency appropriations resolution.**

CEQA: Resolution No. 64172 [ALUM ROCK]

Documents Filed: Memorandum from Redevelopment Agency Interim Executive Director Harry Mavrogenes, dated June 29, 2004, recommending adoption of the resolutions.

Action: Upon motion by Council Member Chavez, seconded by Council Member Yeager, and carried unanimously, Resolution No. 72260: entitled: "A Resolution of the Council of the City of San José Making Certain Determinations Required by Redevelopment Law Regarding the Expenditure of Redevelopment Agency Funds on City-Owned Public Improvements at the Mexican Heritage Gardens"; and Redevelopment Agency Board Resolution No. 5534, were adopted. (10-0-1. Absent: Campos.)

7.6 (a) **Adoption by the City Council of the following 2003-2004 Appropriation Ordinance amendments in the General Fund:**

(1) **Establish a Transfer to the Redevelopment Agency in the amount of $80,000 for consultant services related to the Rincon de Los Esteros Redevelopment Plan; and,**

(2) **Decrease the Office of Economic Development Non-Personnel/ Equipment Budget 2004-2005 Appropriation by $80,000.**

(b) **Adoption of a resolution by the Redevelopment Agency Board approving the shift of $200,000 from the FY 2004-05 Capital Budget to the FY 2003-04 Adopted Capital Budget in the Industrial Work Program – Implementation project line in the Rincon Redevelopment Area, and amending the FY 2003-04 Agency appropriations resolution.**

(c) **Redevelopment Agency Board approval of the first amendment to the agreement with Hexagon Transportation Consultants, Inc., in the amount of $200,000 for a total contract amount of $400,000, to prepare the Traffic Study for the proposed North San Jose Area Development Policy; and,**

(d) **Redevelopment Agency Board approval of an agreement with David J. Powers and Associates, in the amount of $200,000, to prepare an Environmental Impact Report for the proposed North San Jose Area Development Policy.**

[RINCON DE LOS ESTEROS]

7.6 **(Cont'd.)**

Documents Filed: Memorandum from Redevelopment Agency Interim Executive Director Harry Mavrogenes, and City Manager Del Borgsdorf, dated June 29, 2004, recommending adoption of the ordinance and resolution, and approval of amendments to the agreements.

Action: Upon motion by Council Member Reed, seconded by Council Member Chavez, and carried unanimously, Ordinance No. 27216, entitled: "An Ordinance of the City of San José Amending Ordinance No. 26916 to Appropriate Moneys in the General Fund for the Transfer to the Redevelopment Agency; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption"; and Redevelopment Agency Board Resolution No. 5535, were adopted; and the first amendment to the agreement with Hexagon Transportation Consultants, Inc., and the agreement with David J. Powers and Associates, were approved. (10-0-1. Absent: Campos.)

7.7 **(a) Adoption of a resolution by the Redevelopment Agency Board authorizing the Executive Director to negotiate and execute an Owner Participation Agreement with the San Jose Unified School District for the installation of a security fence at Pioneer High School, in an amount not to exceed $100,000.**

(b) Adoption of a resolution by the Redevelopment Agency Board approving the shift of $100,000 from FY 2004-2005 to FY 2003-2004 in the Hoffman/Via Monte – Alley Design project line in the Strong Neighborhoods Initiative Redevelopment Area, adjusting the FY 2003-04 Capital Budget and amending the FY 2003-2004 Agency appropriations resolution.

(c) Adoption of a resolution by the City Council making certain determinations regarding the expenditure of Redevelopment Agency funds for the improvement of property that is publicly owned.

CEQA: Exempt, PP04-06-207 [SNI: HOFFMAN/VIA MONTE]

Documents Filed: Memorandum from Redevelopment Agency Interim Executive Director Harry Mavrogenes, dated June 29, 2004, recommending adoption of the resolutions.

Action: Upon motion by Vice Mayor Dando, seconded by Council Member Chavez, and carried unanimously, Redevelopment Agency Board Resolution Nos. 5536 and 5537; and Resolution No. 72261, entitled: "A Resolution of the Council of the City of San José Making Certain Determinations Required by Redevelopment Law Regarding the Expenditure of Redevelopment Agency Funds for the Improvement of Property that is Publicly Owned by San José Unified School District", were adopted. (10-0-1. Absent: Campos.)

ADJOURNMENT

The Council of the City of San José, and Redevelopment Agency Board adjourned at 8:59 p.m.

RON GONZALES, MAYOR

ATTEST:

LEE PRICE, CMC, CITY CLERK

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