



**BOARD MEETING MINUTES  
OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE  
SAN JOSE REDEVELOPMENT AGENCY**

**SAN JOSE, CALIFORNIA**

**THURSDAY, FEBRUARY 9, 2017**

The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San Jose convened at 10:03 a.m. in Council Chambers in San Jose City Hall.

**1. Call to Order and Roll Call**

**BOARD MEMBERS PRESENT**

**Tony Estremera, Chair, Santa Clara Valley Water District**  
**Ed Maduli, Vice Chair California Community Colleges**  
**Abraham Andrade, City of San José**  
**Jim Shannon, City of San José**  
**Debbie Cauble (Alternate), County of Santa Clara**  
**Glen Williams (Alternate), County of Santa Clara**  
**Marco Mosunic (Alternate), Santa Clara County Office of Education**

**ABSENT BOARD MEMBERS:**

**All Present.**

**STAFF PRESENT**

**David Sykes, representing Successor Agency Executive Officer**  
**Richard Keit, Successor Agency Managing Director**  
**Richard Doyle, Successor Agency General Counsel**  
**Derek Hansel, representing Successor Agency Chief Financial Officer**  
**Senior Deputy City Attorney, Tom Murtha**  
**Ruth Krantz, Deputy Clerk of the Board**

**2. Closed Session**

None.

### **3. Adoption of Agenda**

Upon motion by Board Member Williams, seconded by Board Member Andrade and carried unanimously, the agenda was adopted. (6-0-0-1. Abstain: Mosunic.)

### **4. Approval of Minutes**

None provided.

### **5. Consent Calendar**

None.

### **6. Items Scheduled for Action/Discussion**

#### **6.1 Sale of Revenue Participation Interest in Paseo Plaza Retail.**

Documents Filed: Memorandum from Successor Agency Managing Director Richard A. Keit, dated February 2, 2017, recommending adoption of a resolution.

Successor Agency Managing Director Richard A. Keit provided an overview.

Action: Upon motion by Board Member Andrade, seconded by Board Member Williams and carried unanimously, Oversight Board Resolution No. 2017-02-1136, entitled: "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José Approving the Sale of the Successor Agency's Revenue Participation Interest in the Property Located at 140 East San Fernando Street to the Highest Bidder, J3, Inc., for a Purchase Price of \$99,000", was adopted. (6-0-0-1. Abstain: Mosunic.)

#### **6.2 Sale of Real Property Located at 30 Eastwood Court.**

Documents Filed: (1) Memorandum from Successor Agency Managing Director Richard A. Keit, dated February 2, 2017, recommending adoption of a resolution. (2) Presentation entitled "30 Eastwood Court, San José, CA 95116", dated February 9, 2017.

Successor Agency Managing Director Richard A. Keit provided an introduction.

Public Comments: Richard Gullen, Dave Hamerslough and Maria Goulart expressed concerns on reduced parking spaces and lack of notification. Mark Carlquist and Joe Vieira offered support to the sale of the property and further opined that this matter is not within the jurisdiction of the Board.

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## 6.2 Sale of Real Property Located at 30 Eastwood Court (Cont'd.)

Extensive Board discussion ensued, Successor Agency Managing Director Richard A. Keit, Richard Doyle, Successor Agency General Counsel, and Senior Deputy City Attorney, Tom Murtha responded to questions. Further comments were provided by Dave Hamerslough and Mark Carlquist.

Motion: Board Member Williams moved approval of the sale of property, with language as proposed by Counsel staff, as indicated below in "Action". The motion was seconded by Vice Chair Maduli.

Action: On a call for the question, the motion carried unanimously, and Oversight Board Resolution No. 2017-02-1137, entitled: "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José Approving the Sale of the Successor Agency Owned Real Property Located at 30 Eastwood Court to the Highest Bidder, Batista S. Vieira and Dolores M. Vieira, Trustee Under the Batista S. Vieira and Dolores M. Vieira Revocable Living Trust, for a Purchase Price of \$88,250", was adopted, with direction to Successor Agency staff to: (a) review the Lease; (b) prepare and obtain a written acknowledgement and indemnity for any potential claims from the highest bidder as a condition to the sale of the Property; and (c) return to the Oversight Board for further action if there are any outstanding issues under the Lease. (6-0-0-1. Abstain: Mosunic.)

## 6.3 Sale of Real Property Located at 366 South First Street

Documents Filed: (1) Memorandum from Successor Agency Managing Director Richard A. Keit, dated February 2, 2017, recommending adoption of a resolution. (2) Valbridge Property Advisors Appraisal Report, for Two Fish Design, dated December 5, 2016.

Successor Agency Managing Director Richard A. Keit provided an overview.

Public Comments: Offering support to the sale, citing the great opportunities for the arts and culture of San José, were Brian Eder and Cherri Lakey, Two Fish Design, and Kerry Adams Hapner, City of San José Office of Cultural Affairs. Mark Tersini, representing KT Urban, offered concerns regarding timing and use of the space.

Board discussion followed, including questions regarding the appraisal done for Two Fish Designs.

Motion: Board Member Cauble moved to reject the staff recommendation and to set the property for sale pursuant to the solicitation process in November or as soon as the staff can get to it after November. Board Member Williams seconded the motion.

Substitute Motion: Board Member Cauble withdrew the motion, requesting instead that a time certain of 30 days be set for the process. Board Member Andrade seconded the motion.

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### **6.3 Sale of Real Property Located at 366 South First Street (Cont'd.)**

Board Member Williams renewed the motion on the floor to reject the staff recommendations.

Motion: Board Member Williams moved rejection of the staff recommendation, moving to schedule the property for sale under the process in November 2017. The motion was seconded by Vice Chair Maduli.

On a call for the question, the motion failed. (2-4-0-1. Noes: Andrade, Shannon, Cauble; Estremera. Abstain: Mosunic.)

Action: The item was moved to the next meeting of the Oversight Board, March 23, 2017.

### **6.4 Sale of Successor Agency's Revenue Participation Interest for the Marriott Hotel Offer Letter**

Documents Filed: (1) Memorandum from Successor Agency Managing Director Richard A. Keit, dated February 3, 2017, recommending adoption of a resolution. (2) Letter from Michael G. Medzigan, Carey Watermark Investors 2 Inc., to Tony Estremera, San José Oversight Board, dated February 3, 2017, regarding the Offer Letter.

Successor Agency Managing Director Richard A. Keit provided an overview.

Public Comments: Paul Isaacson, representing Carey Watermark Investors (CWA), expressed CWA's desire to acquire the revenue participation interest in the San José Marriott.

Action: Upon motion by Vice Chair Maduli, seconded by Board Member Williams and carried unanimously, Oversight Board Resolution No. 2017-02-1138, entitled: "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José Approving the Sale of the Successor Agency's Revenue Participation Interest in the Marriott Hotel Located at 301 South Market Street for the Appraised Value of \$12,350,000", was adopted. (6-0-0-1. Abstain: Mosunic.)

### **6.5 Summary Report on Successor Agency Agreements with Obligations in Force.**

Documents Filed: (1) Memorandum from Successor Agency Managing Director Richard A. Keit, dated February 3, 2017, recommending approval of the status report. (2) Presentation entitled "Disposition and Development Agreements (DDA's); Covenants, Conditions and Restrictions (CCR's) & Other Agreements", dated February 9, 2017.

Successor Agency Managing Director Richard A. Keit provided an overview.

Board Member Williams requested that Oversight Board staff return each quarter with any changes, or a negative declaration if none to be reported. Staff affirmed.

Action: Report accepted, with direction to staff as noted.

## 6.6 Alternatives for Administration – Six Month Update.

Documents Filed: Memorandum from Successor Agency Managing Director Richard A. Keit, dated February 3, 2017, providing the six-month update.

Successor Agency Managing Director Richard A. Keit provided the update.

Action: The report was accepted.

## 7. Reports and Correspondence

### 7.1 Letter from the County of Santa Clara regarding Acquisition of Revenue Participation Interest in the Sheraton Four Points Hotel

Documents Filed: Letter from the County of Santa Clara County Executive to Successor Agency Managing Director Richard A. Keit regarding the County's decision not to acquire the Revenue Participation Interest in the Sheraton Four Points Hotel.

Action: No action required.

## 8. Future Agenda Items

Successor Agency Managing Director Richard A. Keit announced the next meeting is to be held February 23, 2017.

## 9. Adjournment

The Oversight Board of the Successor Agency to the Redevelopment Agency adjourned at 11:49 a.m. to 10 a.m. February 23, 2017.

Minutes Recorded, Prepared and Respectfully Submitted by,

ATTEST:

  
OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE  
SAN JOSE REDEVELOPMENT AGENCY  
TONI J. TABER, CLERK OF THE BOARD

Ruth Krantz, Deputy Clerk of the Board

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