



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

SAN JOSE, CALIFORNIA

THURSDAY, MAY 18, 2017

The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José convened at 10:00 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
David Barry (Alternate), County of Santa Clara
Matthew Tinsley, Santa Clara County Office of Education
Glen Williams, County of Santa Clara**

ABSENT BOARD MEMBERS:

All Present.

STAFF PRESENT

**David Sykes, Successor Agency Executive Officer
Richard Doyle, Successor Agency General Counsel
Richard Keit, Successor Agency Managing Director
Julia Cooper, Successor Agency Chief Financial Officer
Ruth Krantz, City Clerk Staff**

2. Closed Session – none.

3. Adoption of Agenda

Upon motion by Board Member Williams, seconded by Board Member Tinsley and carried unanimously, the agenda was adopted, with the addition that Item 6.6 be heard directly following Item 6.1. (7-0.)

Access the video, the agenda and related reports for this meeting by visiting the City's website at <https://ca-sanjose.civicplus.com/index.aspx?NID=3566>. For information on any ordinance that is not hyperlinked to this document, please contact the Office of the City Clerk at (408) 535-1266.

4. Approval of Minutes

Documents Filed: Oversight Board Minutes dated March 23, 2017 and April 13, 2017.

Action: Upon motion by Board Member Williams, seconded by Board Member Shannon and carried unanimously, the Minutes of March 23, 2017 were approved with changes as indicated. (6-0-0-1. Abstain: Barry.)

Action: Upon motion by Board Member Williams, seconded by Board Member Tinsley and carried unanimously, the Minutes of April 13, 2017 were approved with changes as indicated. (6-0-0-1. Abstain: Barry.)

5. Consent Calendar

None.

6. Items Scheduled for Action/Discussion

6.1 Approval of the Sale and Issuance of Multiple Series of Tax Allocation Refunding Bonds and Related Bonds Documents

Documents Filed: (1) Joint memorandum from Successor Agency Chief Financial Officer Julia Cooper and , dated May 12, 2017, recommending adoption of a resolution. (2) Information memorandum from Successor Agency Chief Financial Officer Julia Cooper, dated June 23, 2017, providing a status update. (3) PowerPoint presentation dated May 18, 2017.

Successor Agency Chief Financial Officer Julia Cooper provided a presentation. She and Derek Hansel, Assistant Director of Finance, responded to questions from the Board.

Motion: Vice Chair Maduli moved approval of the Sale and Issuance of Multiple Series of Tax Allocation Refunding Bonds and Related Bonds Documents. Board Member Williams seconded the motion, with inclusion of reimbursing the City of San José for out-of-pocket costs incurred by the City in an amount not to exceed \$3 million dollars.

Action: On a call for the question, the motion carried unanimously, Oversight Board Resolution No. 2017-05-1146, entitled: “A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José Approving and Directing the Issuance of Refunding Bonds, Making Certain Determinations with Respect to the Refunding Bonds and Providing Other Matters Relating Thereto”, was adopted. (7-0.)

Item 6.6 was heard directly following Item 6.1.

Chair Estremera left the meeting at 11:03 a.m., and Vice Chair Maduli continued the meeting.

6.2 Extend Escrow for Up to Ninety Days for Three Properties

Documents Filed: Memorandum from , dated May 12, 2017, recommending adoption of a resolution.

provided an overview, and Successor Agency Chief Financial Officer Julia Cooper responded to questions.

Action: Upon motion by Board Member Tinsley, seconded by Board Member Andrade and carried unanimously, Oversight Board Resolution No. 2017-05-1147, entitled: “A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José (Authorizing The Managing Director To Extend For Up To Ninety (90) Days the Close of Escrow For The Sale Of The Following Successor Agency Owned Properties: 201 South Second Street, 292 Stockton Avenue, and 280 Jackson Street, was adopted. (6-0-1. Absent: Estremera.)

6.3 Sale of Real Property Located at 1343 The Alameda

Documents Filed: Memorandum from , dated May 12, 2017, recommending adoption of a resolution.

provided an overview and responded to questions from the Board.

Board Member Williams questioned why termination of the easement was not agendized and if there was a better way to get a higher valuation. Successor Agency General Counsel Richard Doyle responded to the Board Member’s concerns.

Motion: Board Member Williams moved approval, including allowing authorization of the Successor Agency to terminate the easement agreement between the Agency and Tai Property which allows Tai Property the use of two parking spaces. Board Member Maduli seconded the motion.

Action: On a call for the question, the motion carried unanimously, Oversight Board Resolution No. 2017-05-1148, entitled: “A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José (A) Authorizing the Successor Agency to Terminate the Easement Agreement, Dated May 19, 2009, Between the Former Redevelopment Agency of the City of San José and Lydia Tai; and (B) Approving the Sale of Real Property Located 1343 The Alameda Owned by the Successor Agency to the Highest Bidder, Imwalle Properties, for a Purchase Price of \$363,000”, was adopted. (6-0-1. Absent: Estremera.)

6.4 Sale of Real Property Located at 551 West Julian Street

Documents Filed: Memorandum from , dated May 12, 2017, recommending adoption of a resolution.

provided an overview and accepted accolades from the Board for the staffs' work on this project.

6.4 Sale of Real Property Located at 551 West Julian Street (Cont'd.)

Action: Upon motion by Board Member Williams, seconded by Board Member Andrade and carried unanimously, Oversight Board Resolution No. 2017-05-1149, 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 Real Property Located at 551 West Julian Street Owned by the Successor Agency to the Highest Bidder, TC Agoge Associations, LLC, for a Purchase Price of \$650,000, Subject to an Extension of the Close of Escrow", was adopted. (6-0-1. Absent: Estremera.)

6.5 Sale of Revenue Participation Interest in 261 North Second Street

Documents Filed: Memorandum from , dated May 12, 2017, recommending adoption of a resolution.

Action: Upon motion by Board Member Williams, seconded by Board Member Shannon, and carried unanimously, Oversight Board Resolution No. 2017-05-1150, 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 Revenue Participation Interest in the Property Located at 261 North Second Street Owned by the Successor Agency to the Highest Bidder, Germania Verein, Inc., for a Purchase Price of \$32,056, Subject to an Extension of the Close of Escrow", was adopted. (6-0-1. Absent: Estremera.)

6.6 Sale of Real Property located at 366 South First Street

Note: Heard out of order, directly following Item 6.1.

Documents Filed: Supplemental memorandum from , dated May 12, 2017, recommending adoption of a resolution.

Motion: Board Member Shannon moved recommendation "A", to instruct Successor Agency staff to prepare and send a Notice of Intent to Sell as required to commence the Right of First Refusal process contained in the Lease dated May 3, 2005, as amended, between the Successor Agency and Brian Elder and Cheri Lakey dba Two Fish Design Group, and to follow the process as set forth therein. Vice Chair Maduli seconded the motion.

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6.6 Sale of Real Property located at 366 South First Street (Cont'd.)

Board Member Williams recommended exploration of the selection of an appraiser, suggesting that a sub-committee of the Oversight Board members be formed with the intent of working with the Successor Agency's Managing Director to select one of the six Oversight Board approved appraisers to complete a fair market value appraisal of the subject property. The Board agreed to the recommendation, and this item was determined to be addressed at the Oversight Board Meeting of June 8, 2017.

Action: Upon motion by Board Member Williams, seconded by Board Member Shannon, and carried unanimously, Oversight Board Resolution No. 2017-05-1151, entitled: "A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José Instructing Successor Agency Staff to Prepare and Send a Notice of Intent to Sell as Required to Commence the Right of First Refusal Process Contained in the Lease Dated May 3, 2005, as Amended, Between the Successor Agency and Brian Elder and Cherri Lakey dba Two Fish Design Group and to Follow the Process as Set Forth Therein", was adopted, and the Board agenda'd an item for the June 8, 2017 Oversight Board Meeting regarding the formation of a sub-committee to explore the selection of appraisers to complete a fair market value appraisal of the subject property. (7-0.)

7. Reports and Correspondence

7.1 Letter from Successor Agency Chief Financial Officer to County Finance Director regarding Notification of Insufficiency of Funds

Documents Filed: Letter from Successor Agency Chief Financial Officer Julia Cooper to County of Santa Clara Finance Director Emily Harrison, dated May 1, 2017, regarding Notification of Insufficiency of Funds.

Action: No action required.

7.2 Letter from Santa Clara County Controller to the State of California Controller regarding the San José Successor Agency - Verification of insufficiency of Funds for the period July 1,2017 - December 31, 2017 (ROPS I7-I8A)

Documents Filed: Letter from County of Santa Clara Controller-Treasurer, Alan Minato, to the , dated May 10, 2017, regarding Verification of insufficiency of Funds for the period July 1,2017 - December 31, 2017 (ROPS I7-I8A).

Action: No action required.

8. Future Agenda Items

- Agendization of a sub-committee of Oversight Board members to review appraisers to complete a fair market value appraisal of the 366 South First Street property – June 8, 2017 meeting.
- Future Meeting discussion: Modification of procedures regarding the long-range property management plan disposition process.

9. Adjournment

The Oversight Board of the Successor Agency to the Redevelopment Agency adjourned at 11:22 a.m. to a regularly scheduled meeting to be held at 10 a.m. on June 8, 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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