



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

**SAN JOSE, CALIFORNIA**

**THURSDAY, NOVEMBER 9, 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 San José City Hall, 17<sup>th</sup> Floor, City Manager's Conference Room #1734.

**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  
Glen Williams, County of Santa Clara  
Debbie Cauble, County of Santa Clara  
Matthew Tinsley, Santa Clara County Office of Education**

**ABSENT BOARD MEMBERS:**

**All Present.**

**STAFF PRESENT**

**David Sykes, Successor Agency Executive Officer  
Richard Keit, Successor Agency Managing Director  
Tom Murtha, Senior Deputy City Attorney  
Julia Cooper, Successor Agency Chief Financial Officer  
Ruth Krantz, Deputy Clerk of the Board**

**2. Closed Session**

None.

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

Upon motion by Board Member Maduli, seconded by Board Member Tinsley and carried unanimously, the agenda was adopted. (7-0.)

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

Documents Filed: Oversight Board Minutes dated August 24, 2017 and September 14, 2017.

Board Member Cauble recommended changes to Item 6.2 of the August 24, 2017 Minutes to specify tax analysis review by the Counsel to the Oversight Board, rather than the Successor Agency General Counsel.

Action: Upon motion by Board Member Cauble, seconded by Vice Chair Maduli and carried unanimously, the Minutes of August 24, 2017 were approved, as amended. (5-0-0-2. Abstain: Andrade, Maduli.)

Action: Upon motion by Board Member Cauble, seconded by Board Member Andrade and carried unanimously, the Minutes of September 14, 2017 were approved. (5-0-0-2. Abstain: Tinsley, Maduli.)

### **5. Consent Calendar**

None.

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

#### **6.1 Approval to Amend Agreements with Municipal Advisors and Bond Counsel in Connection with Refunding of Successor Agency Bonds.**

Documents Filed: Memorandum from Julia Cooper, Successor Agency Chief Financial Officer, dated November 3, 2017, recommending adoption of a resolution.

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

Successor Agency Managing Director Richard A. Keit offered thanks and recognition to the financing team for their diligent work on analysis and bond refinancing.

Action: Upon motion by Vice Chair Maduli, seconded by Board Member Shannon and carried unanimously, Oversight Board Resolution No. 2017-11-1158, entitled "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment

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## 6.1 (Cont'd.)

Agency of the City of San José Authorizing the Successor Agency to (a) Amend the Scope of Services and Increase Compensation for Phase 1 in the Current Agreement with Public Financial Management; (b) Amend the Scope of Services and Increase Compensation for Phase 1 in the Current Agreement with Ross Financial; and (c) Increase Compensation in the Current Bond Counsel Agreement with Jones Hall, a Professional Law Corporation, in Connection with Refunding of Successor Agency Bonds”, was adopted. (7-0.)

## 6.2 Approve Fifth Amendment to the Amended and Restated Lease with the Comedy Club of San José

Documents Filed: Memorandum from Successor Agency Managing Director Richard A. Keit, dated November 3, 2017 recommending adoption of a resolution.

Successor Agency Managing Director, Richard Keit provided an overview with the recommendation to offer a three-year extension to the contract. He introduced CEO of the entity that owns the Comedy Club, Robert Hartmann.

Public Comment: Robert Hartman addressed the Board, urging extension of the lease to five years and stressing his commitment to the success of this venue.

Motion: Vice Chair Maduli moved approval of the staff recommendations, including increasing the lease from three to five years. Board Member Cauble seconded the motion.

Action: On a call for the question, the motion carried unanimously, Oversight Board Resolution No. 2017-11-1159, entitled: “A Resolution of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of San José: (a) Approving the Fifth Amendment to the Amended and Restated Lease with the Comedy Club of San José, LLC for the Use of the Jose Theater Located at 62 South Second Street Extending the Term for Five Years and Increasing the Monthly Base Rent Each Year; and (b) Finding that the Lease with the Comedy Club of San José LLC will Increase Revenues, Decrease Liabilities, and is in the Best Interest of the Taxing Entities”, was adopted. (7-0.)

## 6.3 Approval of the Sale of Real Property Located at 490 South First Street (San José Stage Theatre Company)

Documents Filed: (1) Memorandum from Successor Agency Managing Director Richard A. Keit, dated November 3, 2017 recommending adoption of a resolution. (2) Letter from Senator Jim Beall, dated November 3, 2017, supporting approval of the acquisition of the property for the appraised value. (3) Letter from Jason St. Claire, President, San José Stage Company Board of Directors, dated November 7, 2017 asking for approval of the property for the appraised value.

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### 6.3 (Cont'd.)

Successor Agency Managing Director, Richard Keit provided an overview.

Public Comment: Jerry Strangis, Board Member of the San José Stage Company's Board of Directors addressed the Board, urging approval of the property sale.

Members of the Board expressed concerns with the appraisal and 'as is' basis of the appraisal and assumption that zoning could be changed. Successor Agency Managing Director Richard A. Keit responded to questions.

Motion: Board Member Shannon moved approval of the staff recommendations. Board Member Andrade seconded the motion.

Action: On a call for the question, the motion failed. (3-4. Noes: Cauble, Maduli, Tinsley, Williams.)

Discussion ensued regarding the need for a second appraisal.

Substitute Motion: Vice Chair Maduli approved going forward with a second appraisal, with the Successor Agency to incur the costs of the appraisal. Board Member Williams seconded the motion.

Action: On a call for the question, the motion carried unanimously, and, pursuant to the Disposition Process, staff was directed to obtain a second appraisal of the property, determining the highest and best use at fair market value, with the Successor Agency to incur the costs of the appraisal. (7-0.)

## 7. Reports and Correspondence

### 7.1 Quarterly Update Report on Successor Agency Obligations in Disposition and Development Agreements and Covenants, conditions & Restrictions In-Force

Documents Filed: Memorandum from Successor Agency Managing Director Richard A. Keit, dated November 3, 2017 providing a summary report, as requested, on the nature of obligations identified in the Disposition and Development Agreements provided to the Board on November 10, 2016.

Successor Agency Managing Director Richard A. Keit offered an update to the Board.

Action: No action required.

**7.2 Carnegie-Nakasako & Associates Appraisal for Sale of Property at 366 S. First Street**

Documents Filed: Letter from Nicholas P. Petredis, Attorney and Counselor at Law, to Board Members Glen Willians and Matthew Tinsley and Successor Agency Managing Director Richard A. Keit dated September 27, 2017, regarding the Carnegie-Nakasako & Associates Appraisal for Sale of Property at 366 S. First Street.

Action: No action required.

**7.3 Status Update – Sale and Issuance of Multiple Series of Tax Allocation Refunding Bonds.**

Documents Filed: Information memorandum from Successor Agency Chief Financial Officer Julia Cooper, dated October 13, 2017 providing an update on the sale and issuance of multiple series of tax allocation refunding bonds.

Action: No action required.

**8. Successor Agency Board Actions**

None provided.

**9. Future Agenda Items**

Successor Agency Managing Director, Richard Keit recommended setting the next meeting of the Board for December 14, 2017.

Board Member Andrade requested the status on litigation for Diridon property at the next meeting of the Board.

**10. Open Forum**

None.

**11. Adjournment**

The Oversight Board of the Successor Agency to the Redevelopment Agency adjourned at 10:26 a.m.

Minutes Recorded, Prepared and Respectfully Submitted by,  
ATTEST:

A handwritten signature in black ink, appearing to read "Ruth Krantz". The signature is fluid and cursive, with a large initial "R" and a long, sweeping tail.

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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