

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF  
THE CITY OF SAN JOSE

MEMORANDUM

TO: OVERSIGHT BOARD	FROM: DEBRA FIGONE EXECUTIVE OFFICER
SUBJECT: ASSET TRANSFERS UPDATE	DATE: July 8, 2013

INFORMATION

On June 18, 2013, the City Council, Successor Agency Board and the San José Diridon Development Authority Board authorized the return of certain properties and assets back to the Successor Agency as required by the State Controller in its Asset Transfer Review dated March 2013. Copies of the Resolutions authorizing such transfers are attached.

On June 18, 2013, an Assignment Agreement between the City and the Successor Agency was entered into to effectuate the transfer of all rights, title and interest in the Operation, Ownership and Participation Agreement for the Fairmont Hotel from the City back to the Successor Agency. On July 2, 2013, Quitclaim Deeds executed by the City of San José and the San José Diridon Development Authority transferring such properties back to the Successor Agency were recorded in the Santa Clara County Recorder's Office.

  
DEBRA FIGONE  
EXECUTIVE OFFICER

For more information, contact Richard Keit, Managing Director, Successor Agency, at 408-795-1849.

Attachments

**SUCCESSOR AGENCY  
RESOLUTION NO. 7021**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE: (I) ACCEPTING CERTAIN PROPERTIES AND ASSETS FROM THE CITY OF SAN JOSE AND THE SAN JOSE DIRIDON AREA DEVELOPMENT AUTHORITY, AND (II) DIRECTING SUCCESSOR AGENCY STAFF TO BRING FORWARD TO THE OVERSIGHT BOARD FOR ITS CONSIDERATION A REQUEST TO TRANSFER ANY GOVERNMENTAL USE PROPERTIES HELD BY THE SUCCESSOR AGENCY TO THE CITY**

**WHEREAS**, on June 28, 2011, Governor Jerry Brown signed into law AB X1 26, which provided for the dissolution and winding down of redevelopment agencies throughout the State of California, and which was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Legislation"); and

**WHEREAS**, on January 24, 2012, pursuant to the Dissolution Legislation, the City of San Jose ("City") elected to be the Successor Agency to the Redevelopment Agency of the City of San Jose ("Agency") to administer the dissolution and winding down of the Agency; and

**WHEREAS**, on February 1, 2012, the Agency was dissolved by the Dissolution Legislation; and

**WHEREAS**, prior to June 28, 2011 (the effective date of the Dissolution Legislation), the Agency transferred various properties and assets to the City, the majority of which were public facilities constructed and used for governmental purposes such as certain Convention Center parcels, the California Theater, various parcels required for the realignment and extension of Autumn Street and a public plaza (Circle of Palms); and

**WHEREAS**, also prior to June 28, 2011, the Agency transferred to the San José Diridon Development Authority ("JPA") a public parking lot at 8 South Montgomery ("Lot 5A") which is subject to the Arena Management Agreement dated December 19, 2000, with San José Arena Management LLC for parking for the San José Arena, and certain other properties, which properties are subject to an Option Agreement dated November 8, 2011 between the JPA and the Athletics Investment Group, LLC ("AIG"); and

**WHEREAS**, on March 21, 2013, the Successor Agency received the final Asset Transfer Review report from the State Controller ("Report"), a copy of which is attached to the memorandum to the Mayor and City Council from City Manager Debra Figone dated June 4, 2013; and

**WHEREAS**, under the Dissolution Legislation, the State Controller has the authority to review and order the return of any asset transferred between a city, county or other public agency and the redevelopment agency if the transfer occurred between January 1, 2011 and June 28, 2011 and the asset "is not contractually committed to a third party". In the Report, the State Controller ordered: 1) the City to return to the Successor Agency various assets (see Schedule 1 of the Report); and 2) the JPA to return to the Successor Agency various assets (see Schedule 2 of the Report); and

**WHEREAS**, those properties subject to that certain Option Agreement dated November 8, 2011 between the San Jose Diridon Area Development Authority and AIG shall be transferred to the Successor Agency subject to the terms and provisions of the Option Agreement, and

**WHEREAS**, the Arena Parking Lot at 8 South Montgomery (Lot 5A) shall be transferred subject to the Arena Management Agreement dated December 19, 2000, with the San Jose Arena Management LLC; and

**WHEREAS**, it is the City's intent that the following properties continue to be used for public use purposes: Convention Center South Hall Site located at 425 S. Market Street; California Theater located at 345 S. 1<sup>st</sup> Street; and Billy DeFrank Community Center located at 938 The Alameda; and

**WHEREAS**, pursuant to the Dissolution Legislation, the Oversight Board of the Successor Agency "may direct the Successor Agency to transfer ownership of those assets that were constructed and used for governmental purposes, such as roads, school buildings, parks, police and fire stations, libraries, and local administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such assets"; and

**WHEREAS**, Successor Agency staff will utilize the process provided for under the Dissolution Legislation to seek the transfer of any governmental use properties held by the Successor Agency to the City;

**NOW, THEREFORE, BE IT RESOLVED THAT THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE:**

- (i) Accepts certain properties and assets from the City of San José and the San José Diridon Development Authority, provided that those properties subject to that certain Option Agreement dated November 8, 2011 between the San Jose Diridon Area Development Authority and the Athletics Investment Group, LLC shall be transferred to the Successor Agency subject to the terms and provisions of the Option Agreement, and the Arena parking lot at 8 South Montgomery (Lot 5A) shall be transferred

subject to the Arena Management Agreement dated December 19, 2000,  
with the San Jose Arena Management LLC.

- (ii) Directs Successor Agency staff to bring forward to the Oversight Board for its consideration a request to transfer any governmental use properties held by the Successor Agency to the City.

ADOPTED this 18<sup>th</sup> day of June, 2013, by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA,  
KHAMIS, LICCARDO, NGUYEN, OLIVERIO, ROCHA;  
REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.



CHUCK REED  
Chairperson

ATTEST:



TONI J. TABER, CMC  
Acting Secretary

**RESOLUTION NO. 76738**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE: (I) AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTIONS AS NECESSARY TO TRANSFER TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE, CERTAIN REAL PROPERTY AND OTHER ASSETS AS IDENTIFIED BY THE CALIFORNIA STATE CONTROLLER IN THE ASSET TRANSFER REVIEW DATED MARCH 2013, WHICH WERE PREVIOUSLY TRANSFERRED TO THE CITY IN MARCH, 2011 BY THE FORMER SAN JOSE REDEVELOPMENT AGENCY, AND (II) DIRECTING CITY AND SUCCESSOR AGENCY STAFF IN CONNECTION WITH THE TRANSFER OF SUCH PROPERTIES TO EVIDENCE THE CITY COUNCIL'S INTENT RELATED TO THE FUTURE USES OF CERTAIN OF SUCH PROPERTIES**

**WHEREAS**, on June 28, 2011, Governor Jerry Brown signed into law AB X1 26, which provided for the dissolution and winding down of redevelopment agencies throughout the State of California, and which was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Legislation"); and

**WHEREAS**, on January 24, 2012, pursuant to the Dissolution Legislation, the City of San José ("City") elected to be the Successor Agency to the Redevelopment Agency of the City of San José ("Agency") to administer the dissolution and winding down of the Agency; and

**WHEREAS**, on February 1, 2012, the Agency was dissolved by the Dissolution Legislation; and

**WHEREAS**, prior to June 28, 2011 (the effective date of the Dissolution Legislation), the Agency transferred various properties and assets to the City, the majority of which were public facilities constructed and used for governmental purposes such as rights of

way, parks, trails, parking for public buildings, certain Convention Center parcels, the California Theater, various parcels required for the realignment and extension of Autumn Street and a public plaza (Circle of Palms); and

**WHEREAS**, on March 21, 2013, the Successor Agency received the final Asset Transfer Review report from the State Controller ("Report"), wherein the State Controller ordered the City to return to the Successor Agency various assets, as set forth in Schedule 1 of the Report, a copy of which is attached to the memorandum to the Mayor and City Council from City Manager Debra Figone dated June 4, 2013; and

**WHEREAS**, under the Dissolution Legislation, the State Controller has the authority to review and order the return of any asset transferred between a city, county or other public agency and the redevelopment agency if the transfer occurred between January 1, 2011 and June 28, 2011 and the asset "is not contractually committed to a third party"; and

**WHEREAS**, the City's compliance with the State Controller's order to transfer those properties and assets identified in Schedule 1 of the Report back to the Successor Agency does not preclude a subsequent transfer back to the City of those properties used for governmental purposes; and

**WHEREAS**, pursuant to the Dissolution Legislation, the Oversight Board "may direct the Successor Agency to transfer ownership of those assets that were constructed and used for governmental purposes, such as roads, school buildings, parks, police and fire stations, libraries, and local administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such assets"; and

**WHEREAS**, it is the City's intent that the following properties continue to be used for public use purposes: Convention Center South Hall Site located at 425 S. Market

Street; California Theater located at 345 S. 1<sup>st</sup> Street; and Billy DeFrank Community Center located at 938 The Alameda; and

**WHEREAS**, staff will return to Council, if necessary, with operating and management agreements for the continued management of the California Theater and the Convention Center South Hall Site by the City, and the Successor Agency, using Successor Agency staff, will operate and maintain the remaining properties;

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

- (i) The City Manager is authorized to take such actions as necessary to transfer to the Successor Agency to the Redevelopment Agency of the City of San Jose, certain real property and other assets as identified by the California State Controller in the Asset Transfer Review dated March 2013, which were previously transferred to the City in March, 2011 by the former San Jose Redevelopment Agency; and
- (ii) The following properties continue to be used for public use purposes:  
Convention Center South Hall Site located at 425 S. Market Street; California Theater located at 345 S. 1<sup>st</sup> Street; and Billy DeFrank Community Center located at 938 The Alameda.



ADOPTED this 18<sup>th</sup> day of June, 2013, by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA,  
KHAMIS, LICCARDO, NGUYEN, OLIVERIO, ROCHA;  
REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.



CHUCK REED  
Mayor

ATTEST



TONI J. TABER, CMC  
Acting City Clerk

**SAN JOSÉ DIRIDON DEVELOPMENT AUTHORITY  
RESOLUTION NO. 111.1**

**A RESOLUTION OF THE SAN JOSÉ DIRIDON DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE SUCH ACTIONS AS NECESSARY TO TRANSFER TO THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE, CERTAIN REAL PROPERTY AS IDENTIFIED BY THE CALIFORNIA STATE CONTROLLER IN THE ASSET TRANSFER REVIEW DATED MARCH 2013, WHICH PROPERTY WAS PREVIOUSLY TRANSFERRED TO THE SAN JOSE DIRIDON AREA DEVELOPMENT AUTHORITY IN MARCH, 2011 BY THE FORMER SAN JOSE REDEVELOPMENT AGENCY, PROVIDED THAT THOSE PROPERTIES SUBJECT TO THAT CERTAIN OPTION AGREEMENT DATED NOVEMBER 8, 2011 BETWEEN THE SAN JOSE DIRIDON AREA DEVELOPMENT AUTHORITY AND THE ATHLETICS INVESTMENT GROUP, LLC SHALL BE TRANSFERRED TO THE SUCCESSOR AGENCY SUBJECT TO THE TERMS AND PROVISIONS OF THE OPTION AGREEMENT, AND THE ARENA PARKING LOT AT 8 SOUTH MONTGOMERY (LOT 5A) SHALL BE TRANSFERRED SUBJECT TO THE ARENA MANAGEMENT AGREEMENT WITH THE SAN JOSE ARENA MANAGEMENT LLC**

**WHEREAS**, on June 28, 2011, Governor Jerry Brown signed into law AB X1 26, which provided for the dissolution and winding down of redevelopment agencies throughout the State of California, and which was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Legislation"); and

**WHEREAS**, on January 24, 2012, pursuant to the Dissolution Legislation, the City of San José ("City") elected to be the Successor Agency to the Redevelopment Agency of the City of San José ("Agency") to administer the dissolution and winding down of the Agency; and

**WHEREAS**, on February 1, 2012, the Agency was dissolved by the Dissolution Legislation; and

**WHEREAS**, prior to June 28, 2011 (the effective date of the Dissolution Legislation), the Agency transferred to the San José Diridon Development Authority ("JPA") a public parking lot at 8 South Montgomery ("Lot 5A") which is subject to the Arena Management Agreement with San José Arena Management LLC for parking for the San José Arena, and certain other properties, which properties are subject to an Option Agreement dated November 8, 2011 between the JPA and the Athletics Investment Group, LLC ("AIG"); and

**WHEREAS**, on March 21, 2013, the Successor Agency received the final Asset Transfer Review report from the State Controller ("Report"), wherein the State Controller ordered the JPA to return to the Successor Agency various assets, as set forth in Schedule 2 of the Report, a copy of which is attached to the memorandum to the Mayor and City Council from City Manager Debra Figone dated June 4, 2013; and

**WHEREAS**, under the Dissolution Legislation, the State Controller has the authority to review and order the return of any asset transferred between a city, county or other public agency and the redevelopment agency if the transfer occurred between January 1, 2011 and June 28, 2011 and the asset "is not contractually committed to a third party"; and

**WHEREAS**, the JPA asset at 645 Park Avenue (formerly KNTV television station) will be demolished using JPA revenues, and the JPA will transfer that property back to the Successor Agency following demolition; and

**WHEREAS**, those properties subject to that certain Option Agreement dated November 8, 2011 between the San Jose Diridon Area Development Authority and AIG shall be

transferred to the Successor Agency subject to the terms and provisions of the Option Agreement, and

**WHEREAS**, the Arena Parking Lot at 8 South Montgomery (Lot 5A) shall be transferred subject to the Arena Management Agreement dated December 19, 2000, with the San Jose Arena Management LLC;

**NOW, THEREFORE**, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN JOSE DIRIDON DEVELOPMENT AUTHORITY THAT:

The Executive Director is authorized to take such actions as necessary to transfer to the Successor Agency to the Redevelopment Agency of the City of San Jose, certain real property as identified by the California State Controller in the Asset Transfer Review dated March 2013, which property was previously transferred to the San Jose Diridon Area Development Authority in March, 2011 by the former San Jose Redevelopment Agency, provided that those properties subject to that certain Option Agreement dated November 8, 2011 between the San Jose Diridon Area Development Authority and the Athletics Investment Group, LLC shall be transferred to the Successor Agency subject to the terms and provisions of the Option Agreement, and the Arena parking lot at 8 South Montgomery (Lot 5A) shall be transferred subject to the Arena Management Agreement with the San Jose Arena Management LLC.

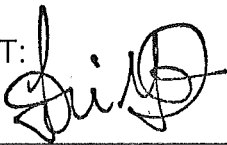
ADOPTED this 18<sup>th</sup> day of June, 2013, by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA,  
KHAMIS, LICCARDO, NGUYEN, OLIVERIO, ROCHA;  
REED.  
NOES: NONE.  
ABSENT: NONE.  
DISQUALIFIED: NONE.



CHUCK REED  
Chairperson, San José Diridon  
Development Authority

ATTEST:



TONI J. TABER, CMC  
Acting Secretary, San José  
Diridon Development Authority