

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: HONORABLE MAYOR, CITY COUNCIL, AND AGENCY BOARD	FROM: HARRY S. MAVROGENES LES WHITE
SUBJECT: SEE BELOW	DATE: MARCH 7, 2007

INFORMATION

SUBJECT: RECOMMENDATION OF DEVELOPER FOR JAPANTOWN CORPORATION YARD AND PARKING LOT PROJECT

This memo is to advise the City Council and Redevelopment Agency Board that the team of First Community Housing and Williams & Dame Development, Inc. (WDD), has been recommended for selection by the Japantown Development Selection Panel. Agency staff is preparing an Exclusive Negotiations Agreement (ENA) for City Council/Agency Board consideration in late March. Following is a brief summary on the background of the project and the process undertaken by the community and City/Agency staff to arrive at this recommendation.

On December 4, 2006, the Redevelopment Agency issued an Addendum to the 2005 Request for Qualifications seeking proposals for the development of the Japantown Corporation Yard and Parking Lot sites. This Addendum was open to the six firms who were previously interviewed for the project in late 2005. Each of the six firms could choose to partner with one of the other five developers previously interviewed or they could choose to partner with a new firm.

By the January 24, 2007, deadline the Redevelopment Agency had received proposals from:

- First Community Housing/Williams & Dame Development
- A.F. Evans
- Green Valley Corporation (dba Barry Swenson Builders)
- The Olson Company

INTERVIEW/SELECTION PROCESS:

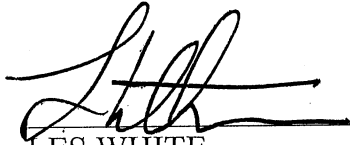
On February 3, 2007, all four development teams publicly presented their proposals to a seven-member selection panel (comprised of three neighborhood representatives, three City senior staff and one Agency senior staff) and the community at-large in a meeting at City Hall. From 9:00 a.m. to 3:30 p.m., each development team was allotted 90 minutes to make a presentation; answer questions from the Selection Panel and from the community at-large. More than 40 members of the Japantown community and surrounding neighborhoods attended the session.

The developer selection panel reconvened on February 7 to review the proposals and on February 15 concluded that the team of First Community Housing/Williams & Dame Development be selected to enter into an ENA. Based on the selection panel's recommendation, Agency and City staffs will bring forward an ENA for Redevelopment Agency Board and City Council consideration in April 2007.

The community at-large and the selection panel both concurred that an increase in density beyond what is called for in the Jackson-Taylor Specific Plan is required to create a vital community and to generate the financial return the City requires. Therefore, the conceptual development proposals prepared by WDD will have several policy implications that will need to be addressed during the exclusive negotiations period. In general, these issues include:

- The WDD proposal includes a request for a General Plan Amendment (GPA) to increase the density and height of the site.
- A GPA process will add time to the entitlement/CEQA process. Given that the Central Service Yard financing strategy assumed that the City would receive the proceeds of the Corporation Yard land sale in August 2007, the City will need to absorb additional carrying costs.
- In addition to the General Plan modification, the project is likely to be impacted by current capacity constraints on intersections at Highway 101/Mabury and Highway 101/13th Street.

Although there are issues to address, City/Agency staff and the Japantown community believe that pursuing a development on the Corporation Yard site is critical for the ongoing revitalization of Japantown. Staff will continue to work closely with the Japantown community and keep the Council/Board apprised of ongoing efforts.



LES WHITE
City Manager



HARRY S. MAVROGENES
Executive Director