



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Nanci Klein

**SUBJECT:** SEE BELOW

**DATE:** October 18, 2022

Approved

Date

**10/18/2022**

**COUNCIL DISTRICT: 3**

**SUBJECT: FILE NO. DA22-001. THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH JACKSON TAYLOR PARTNERS, LLC FOR THE JAPANTOWN CORPORATION YARD REDEVELOPMENT PROJECT (ORDINANCE NO. 29528) LOCATED AT 696 NORTH 6TH STREET**

## **REASON FOR SUPPLEMENTAL**

The purpose of this supplemental memorandum is to provide additional information and clarification for Recommendation (b), which authorizes the City Manager, or designee, to negotiate and execute a Ground Lease between the City of San Jose and ICS Corporate Yard Multifamily, LLC consistent with the terms in the Third Amendment to the Development Agreement with Jackson Taylor Partners, LLC (now assigned to ICS Corporate Yard Multifamily, LLC).

## **ANALYSIS**

On September 28, 2022, the Planning Commission recommended approval (8-0-1, Cantrell absent) of the proposed Third Amendment to the Development Agreement (Third Amendment) with Jackson Taylor Partners, LLC (assigned to ICS Corporate Yard Multifamily, LLC) (Developer), revising the Developer's Performance Center obligations. The Third Amendment changes the City's compensation for the Performance Center site to obligate the Developer, as lessor, to enter into a ground lease with the City for the use of the Performance Center for a term of 65 years, with three, five-year options to extend. The lease will be at no cost to the City other than payment of triple net fees such as utility and common area maintenance charges allocable to the Performance Center.

HONORABLE MAYOR AND CITY COUNCIL

October 14, 2022

**Subject: File No. Da22-001. Third Amendment to the Development Agreement with Jackson Taylor Partners, LLC for the Japantown Corporation Yard Redevelopment Project (Ordinance No. 29528) Located at 696 North 6th Street**

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Recommendation (b) was not included in the Planning Commission's approval as executing ground leases is not in the scope of the Planning Commission's authority. Accordingly, authority to execute the ground lease is added to the memorandum to City Council to clarify that if the City Council approves the Third Amendment via Recommendation (a), then the subsequent Ground Lease will also be approved as it is included in the terms of the Third Amendment.

### **COORDINATION**

This supplemental memorandum was coordinated with the City Attorney's Office.

/s/

NANCI KLEIN

Director, Office of Economic Development  
and Cultural Affairs

For questions, please contact Kevin Ice, Senior Manager, Real Estate Services, at [kevin.ice@sanjoseca.gov](mailto:kevin.ice@sanjoseca.gov).