



Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Joseph Horwedel

**SUBJECT: OAK GROVE ELEMENTARY
SCHOOL DISTRICT SURPLUS
PROPERTY**

DATE: December 13, 2007

Approved: *Paul Felt*

Date: *12/16/07*

COUNCIL DISTRICTS: 2
SNI: N/A

RECOMMENDATION

Staff recommends:

- (a) The City Council take no action regarding acquisition of an approximately 10-acre surplus site (formerly Calero School) in the Oak Grove School District.
- (b) Approval to notify the District that the City does not currently have an interest in acquisition of the property and encourage the District to work closely with Planning Division staff regarding potential redevelopment of the site in the future by a third party.

OUTCOME

By taking no action, the City will decline the opportunity to enter into negotiations with the Oak Grove School District to acquire the subject property within the allowed timeframe. The District will move forward with either sale of the property to another public entity or, absent of such interest, sale of the property to a private property owner or developer.

BACKGROUND

On November 19, 2007, the City received notice (attached) from the Oak Grove School District of their intent to dispose of the Calero School site located at 420 Calero Avenue (APN #689-14-035) in San Jose. Pursuant to provisions of the Naylor Legislation, the City must inform the District if it is interested in acquisition of the property prior to January 11, 2008.

As is customary procedure, the Department of Planning, Building and Code Enforcement takes the lead on coordinating with City Departments on surplus property issues. The proposed disposition

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was accordingly referred to other City Departments including Police, Fire, Public Works, Parks Recreation and Neighborhood Services, Housing, General Services, Libraries and the City Attorney's Office. Planning staff provided additional information to the Housing and Police departments in response to their requests. The outcome of the referral is discussed below.

ANALYSIS

The subject site has a Public / Quasi-Public designation in the City's General Plan. The site is surrounded by land developed with single-family residential dwellings (8 Dwelling Units / Acre) in all directions. The site is roughly square in shape and bounded by Calero Avenue along its northern edge, Shawcroft Drive along its western edge and existing single-family homes along its southern and eastern edges.

Under State law, cities and other public agencies can acquire surplus school district properties for specified uses, in some cases at below market purchase price rates. Generally in order to pursue such acquisition, the City should have an adopted policy that identifies a need for the land to support achievement of a City goal and have a reasonably foreseeable funding source. (For example, the City's *Greenprint for Parks and Community Services* may support acquisition of a property in a particular location to help meet the City's goals for provision of neighborhood or community-serving parkland towards which Parkland Dedication Ordinance or Park Impact Ordinance fees could be applied.)

Staff from Housing requested clarification of the permissible density for residential development on the site. Per the General Plan, surplus Public / Quasi-Public lands may be developed with alternative uses, such as housing, provided that the proposed development is found to be considered compatible with surrounding uses and meets other General Plan criteria:

Surplus Public/Quasi-Public and Public Parks/Open Space Land

An alternate use of property designated for Public/Quasi-Public or Public Parks and Open Space use may be approved under Planned Development zoning without an amendment to the Land Use/Transportation Diagram if such alternate use is compatible with existing and planned uses on neighboring properties and is consistent with applicable General Plan policies. The determination of such compatibility and consistency includes consideration of whether the site, in light of the overall planning for the surrounding area, would more appropriately be designated for uses of a public, quasi-public or recreational nature.

Based upon this information, Housing Department staff decided that it would likely not be appropriate to develop the site for affordable housing and so opted not to request acquisition of the property.

Staff from the Police Department also indicated an initial interest in acquisition of the property for use as a training facility in order to consolidate existing training activities on to a single site. However as a funding source was not available for this acquisition, the Police Department opted not to request acquisition of the site.

No other City departments expressed an interest in acquisition of the property.

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If the property is placed on the private market, the School District intends to sell it to the highest bidder. Future private use or redevelopment of the site would be subject to the City's development review process and need to conform to the General Plan as well as applicable development policies and provisions in the Zoning Ordinance. Potential private uses of the site include church, private school or redevelopment for residential use such as single-family detached homes or townhouses.

Because no City departments have requested that the City pursue acquisition of the property, staff recommends that the City notify the Oak Grove School District that the City has no interest in the property at this time and further recommend that the District coordinate closely with Planning Division staff if/when they discuss potential redevelopment options for the site with private developers.

EVALUATION AND FOLLOW-UP

Not Applicable.

POLICY ALTERNATIVES

Not Applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet the above criteria; however, it will be posted on the City's website for the January 8, 2008 Council Agenda. If the City Council elects to pursue acquisition of the property, future actions may require additional public outreach.

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COORDINATION

The proposed disposition of the subject property was referred to the Police Department, Fire Department, Department of Public Works, Department of Parks Recreation and Neighborhood Services, Housing Department, General Services Department, Libraries Department and the City Attorney's Office. The content of this report was prepared in coordination with the Housing Department and the Police Department. This memorandum will be posted on line.

FISCAL/POLICY ALIGNMENT

This project is consistent with applicable General Plan goals and policies.

COST SUMMARY/IMPLICATIONS

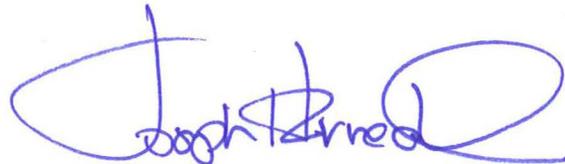
Not applicable.

BUDGET REFERENCE

Not applicable.

CEQA

Not a project.



JOSEPH HORWEDEL, DIRECTOR
Planning, Building and Code Enforcement

For questions please contact Andrew Crabtree, Department of Planning, Building and Code Enforcement at 535-7800

Attachment

Memorandum

TO: Distribution
SUBJECT: SEE BELOW

FROM: Joseph Horwedel
DATE: November 21, 2007

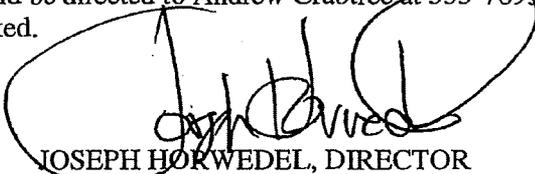
SUBJECT: OAK GROVE SCHOOL DISTRICT SURPLUS PROPERTY

Attached is a copy of a notice from the Oak Grove School District declaring its intent to dispose of the Calero School site located at 420 Calero Avenue (APN #689-14-035) in San Jose.

Pursuant to provisions of the Naylor Legislation, the City must inform the District if it is interested in acquisition of the property prior to January 11, 2008.

As is customary procedure, the Department of Planning, Building and Code Enforcement takes the lead on coordinating with City Departments on surplus property issues. Please examine this notice and provide a response to me by December 3, 2007 as to whether or not your department is interested in acquisition of all or a portion of this property. We will prepare a staff report to the City Council summarizing your interests and requesting Council direction regarding whether or not the City is interested in purchasing all or a portion of any of the sites. The Department of Planning, Building and Code Enforcement will then notify the School District of the City Council's action.

Any questions on this matter should be directed to Andrew Crabtree at 535-7893. Your prompt attention to this memo is appreciated.


JOSEPH HORWEDEL, DIRECTOR
Planning, Building and Code Enforcement

Attachments

Distribution:

Robert L. Davis, Police Chief
Leslye Krutko, Director of Housing
Peter Jensen, Director of General Services
Albert Balagso, Director of PRNS

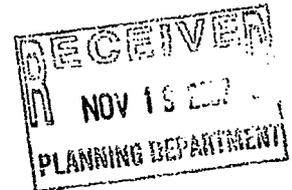
Darryl Von Raesfeld, Fire Chief
Jane Light, City Librarian
Katy Allen, Director of Public Works
Renee Gurza, City Attorney's Office
Neil Stone, Public Works Real Estate



OAK GROVE

SCHOOL DISTRICT

6578 Santa Teresa Boulevard, San Jose, CA 95119 408 227-8300 Fax 408-227-2719



November 13, 2007

Mr. Joseph Horwedel, Director
Planning, Building and Code Enforcement
City of San Jose
200 E. Santa Clara Street, T3
San Jose, CA 95113

Dear Mr. Horwedel:

Pursuant to Education Code Section 17464 et seq. you are hereby notified that the Oak Grove School District intends to dispose of the following surplus property:

Calero School Site
420 Calero Avenue
San Jose, CA 95123
APN: 689-14-035

This 10± acre school site, with approximately 32,900 square feet of school buildings, is located in the City of San Jose, County of Santa Clara, and State of California. If you have questions or would like additional information, please contact the District's property consultant:

Tom Shannon
Enshallah, Inc.
2363 Pruneridge Avenue, Suite B
Santa Clara, CA 95050
(408) 557-2900

If you wish to acquire this property, the Oak Grove School District must be notified within sixty (60) days. Please direct your written correspondence stating your interest in acquiring this property to:

Manny Barbara, District Superintendent
Oak Grove School District
6578 Santa Teresa Boulevard
San Jose, CA 95119

A copy of your correspondence should also be sent to Tom Shannon of Enshallah, Inc. If no notification of interest is received, the property will be disposed of as provided for by the Education Code of the State of California.

Sincerely,

Manny Barbara
District Superintendent

Manny Barbara, Superintendent

Board of Trustees: Jacquelyn Adams, Yvonne Cook, Dennis Hawkins, Dianne Lemke, Jeremy Nishihara
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Our mission . . . "to ensure that every child's potential is achieved."