



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

SUBJECT: SEE BELOW

DATE: 06-04-07

Approved

Katy Allen

Date

6/10/07

COUNCIL DISTRICTS: 3, 4, 6 & 10

SNI AREA: various

SUBJECT: SEALED BID AND PUBLIC AUCTION OF SEVEN (7) POTENTIALLY SURPLUS CITY-OWNED PARCELS

RECOMMENDATION

Adoption of a resolution:

- 1) Declaring seven (7) parcels of City-owned property surplus to the needs of the City;
- 2) Authorizing the publication and auction of those seven (7) City-owned properties.

OUTCOME

Approval of the resolution will declare certain City-owned properties surplus to the needs of the City and authorize the publication and auction for the sale of those surplus City-owned properties. The successful bid and sale of each of these City-owned properties will be presented to the City Council after the conclusion of the auction.

BACKGROUND

Municipal Code Section 4.20.20 permits the City Council to declare City-owned property surplus to the needs of the City and to authorize the sale by auction to the highest responsive bidder upon such terms and conditions as the Council shall direct, if: 1) that property is neither needed for, nor adaptable to, municipal purposes; and 2) the public interest would be served thereby. In order to determine the current usefulness or adaptability of surplus parcels to City purposes, City departments were requested to determine if there is any facility or operational need for the seven subject parcels. No responses indicating a need for any of the parcels has been received. Seven parcels are therefore proposed for declaration as surplus.

The seven parcels are:

| ADDRESS | ASSESSOR PARCEL NUMBER | APPX. SQUARE FOOT | COUNCIL DIST | CURRENT OR PREVIOUS USE |
|-------------------------|------------------------------|-------------------------|-----------------|----------------------------|
| 20399 Almaden Road | 583-13-013 | 16,898 | 10 | Old Fire Station 28 |
| 510 Park Avenue | 259-47-081 | 10,901 | 3 | Vacant 2 story building |
| 460 Park Avenue | 259-46-097 | 12,234 | 3 | Old PAL building |
| Bird Avenue N of Fuller | 264-43-018 | 23,980 | 6 | Vacant land |
| 1360 State Street | 015-12-091 | 21,600 | 4 | Vacant land |
| 1015 S. Bascom Avenue | 282-11-014/015 | 57,860 | 6 | Vacant land/billboard |

ANALYSIS

Each of these parcels is either greater in size than 5,000 square feet or independently developable. Other than the billboard located at 1015 S. Bascom, none of the other City-owned properties have tenants. The parcels have all been offered, as required by California Government Code Section 54222, to 115 low and moderate-cost housing developers, public schools, and park and open-space developers for their consideration. None of the 115 entities submitted a bid on any of these subject parcels. The successful bid and sale of each of these City-owned properties will be presented to the City Council after the conclusion of the auction.

Parcel maps illustrating all of the subject properties' specific locations are attached as Exhibit A.

POLICY ALTERNATIVES

Alternative # 1: Continue ownership of the property.

Pros: By retaining the properties, City has the ability to develop those properties for future municipal services.

Cons: The City would continue to incur costs for maintenance of the properties and the ongoing liability of repairs and safety.

Reason for not recommending: Continuing ownership of the properties will only add to the maintenance expenses on City-owned property and exposes the City to additional liability for building repairs and safety. No City department has a foreseeable need for the property. The property sales would provide additional one time revenue to the City.

PUBLIC OUTREACH

- 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 action does not meet any of the above listed criteria; however this memorandum will be posted on the City's website for the June 26, 2007 Council agenda. Information packets were mailed to individuals who requested to be added to the General Bidders' List. Upon Council approval staff will advertise for auction of the properties.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, Planning, Building and Code Enforcement Department and City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with budget strategies *1h. Review of Underused Lands* and *6e. Review of City-Owned Assets* as outlined in the adopted Mayor's March 2007 Budget Message.

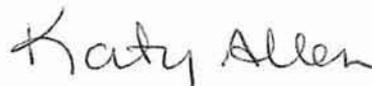
Following a review that found no interest in these properties among City Departments, they are being offered for sale to generate one-time revenue and decrease ongoing maintenance costs.

COST SUMMARY/IMPLICATIONS

The sale of these City-owned properties will increase revenue to the City on a one-time basis. The City's cost for the sale of the properties will consist of staff time to prepare the bid packages and hold the public auction, advertising the sale and signage on the properties. Proceeds of the sale(s) will be posted to the surplus property sales revenue account in the General Fund. It is anticipated that proceeds from sales of properties purchased with bond funds shall be posted to those bonds or bond projects. Staff will identify the revenue account when the property sale is brought forward to Council for approval. Buyer(s) will pay all title, tax and recording fees

CEQA

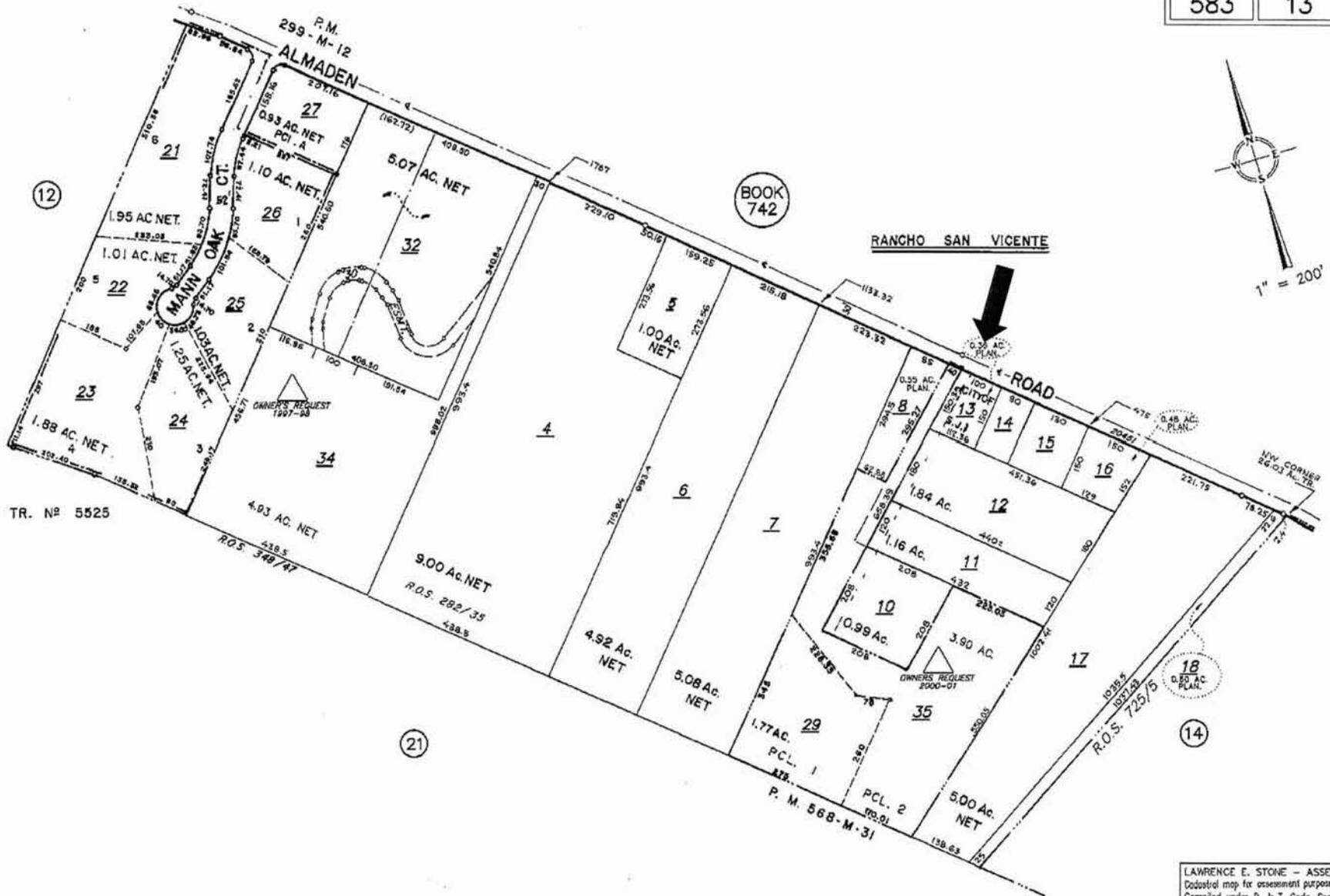
CEQA: Exempt.



KATY ALLEN
Director, Public Works Department

For questions please contact PHIL PRINCE, DEPUTY DIRECTOR, at (408) 535-8300.

NS:bi
Attachments



TR. N^o 5525

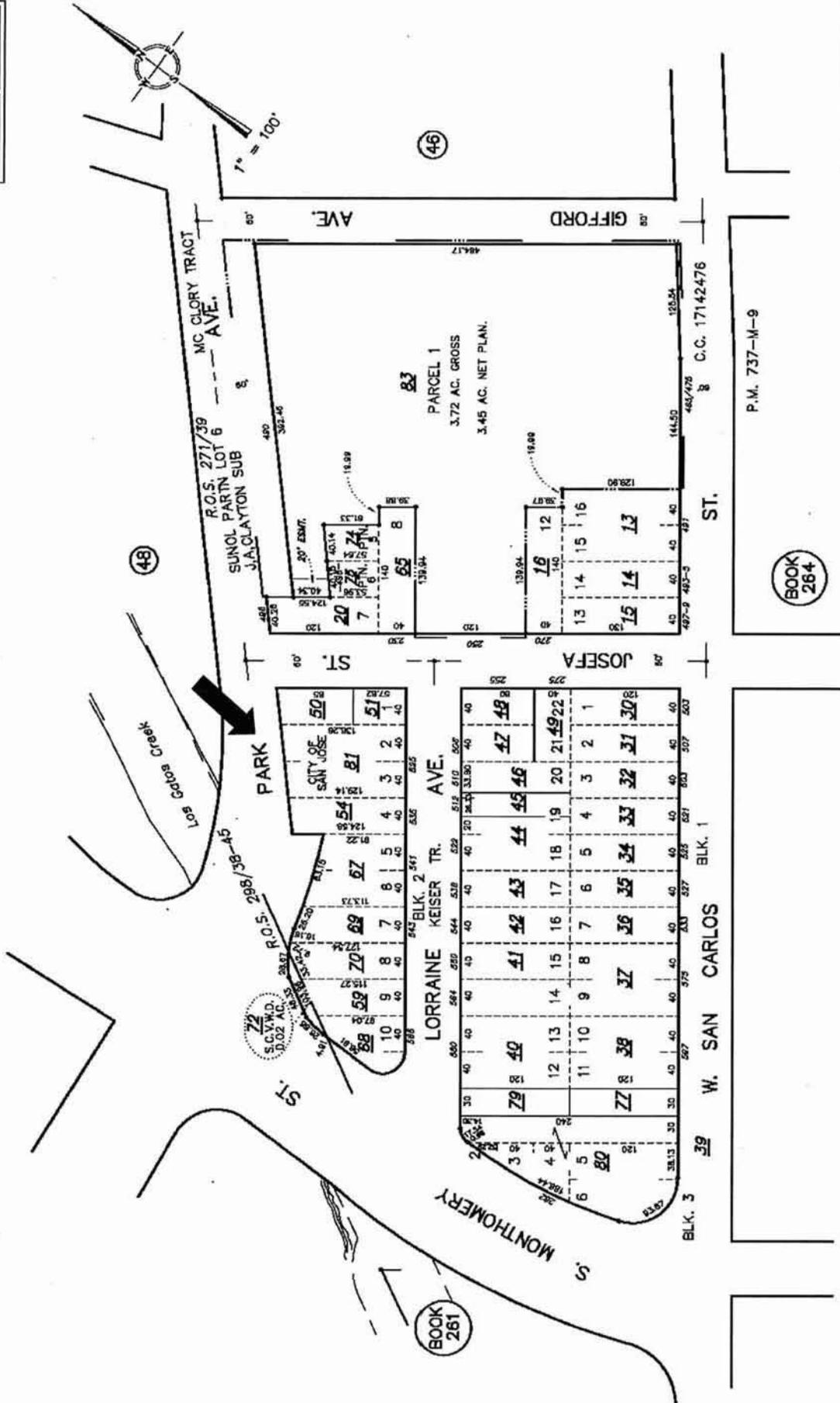
EXHIBIT A

LAWRENCE E. STONE — ASSESSOR
Fodastrol map for assessment purposes only.
Compiled under R. & T. Code, Sec. 327.
Effective Roll Year 2004-2005

EXHIBIT A

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK 259 PAGE 47



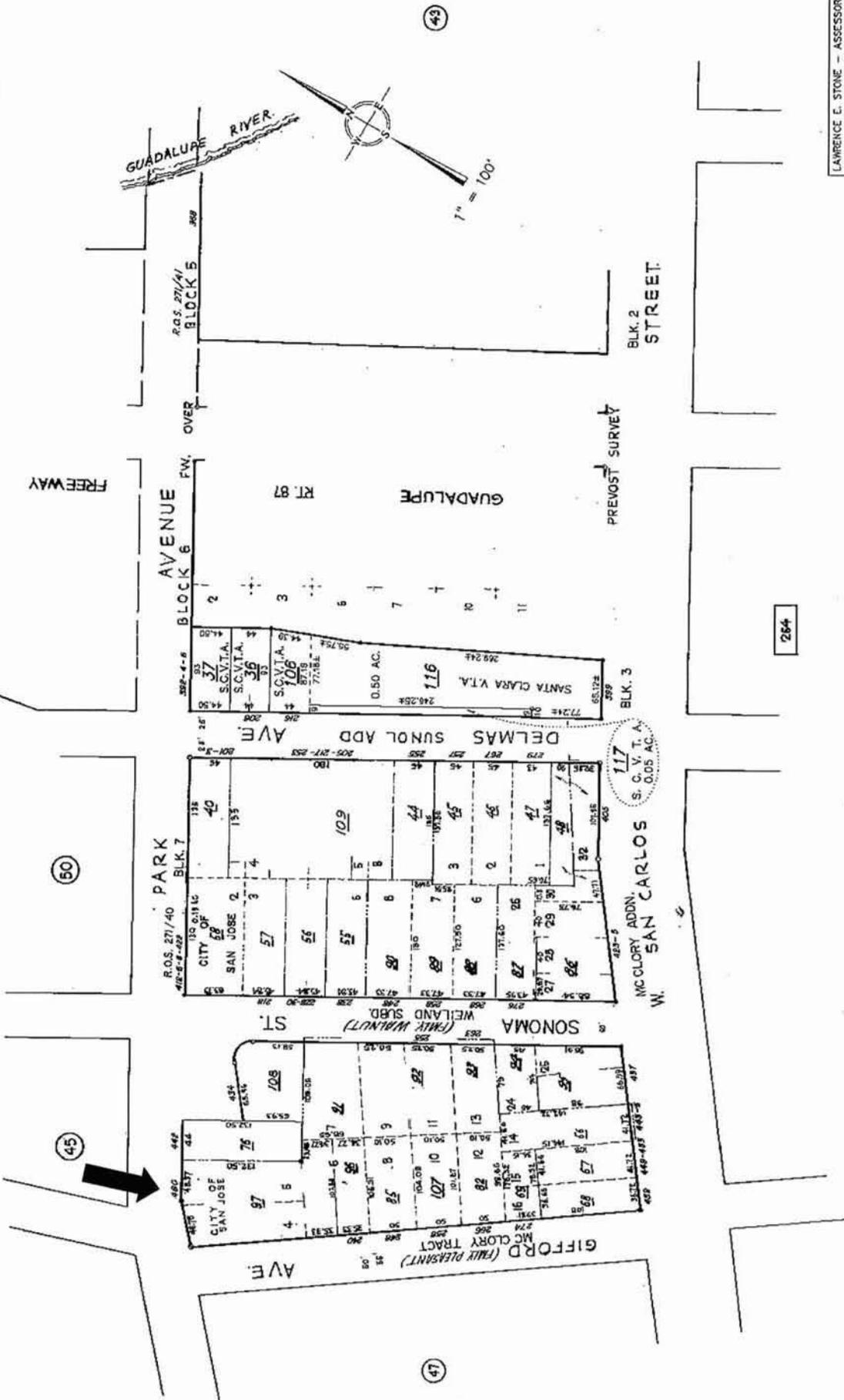
LAWRENCE E. STONE - ASSESSOR
 Created map for assessment purpose only.
 Complies under R. & T. Code, Sec. 327.
 Effective Roll Year 2008-2008

P.M. 737-M-9

BOOK 264

BOOK 261

EXHIBIT A



LAWRENCE E. STONE — ASSESSOR
 Licensed under R. & T. Code, Sec. 327.
 Effective Roll Year 2004-2005

264

EXHIBIT A

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

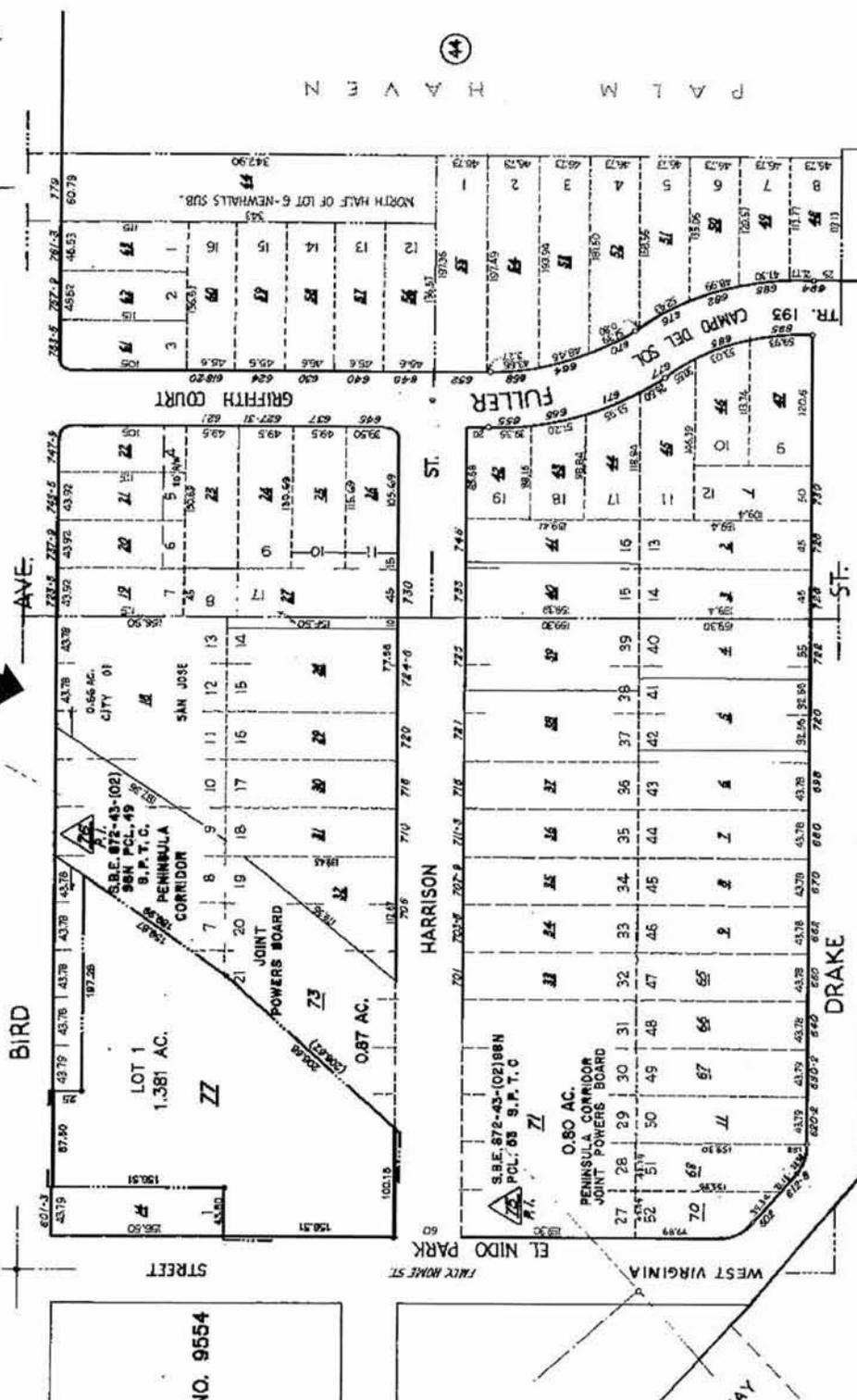
BOOK 264 PAGE 43



(45)

(41)

(17)



LAWRENCE E. STONE - ASSESSOR
Detailed map for assessment purposes only
Compiled under R. & T. Code, Sec. 327.
Effective Roll Year 2005-2008

(42)

RTE 280

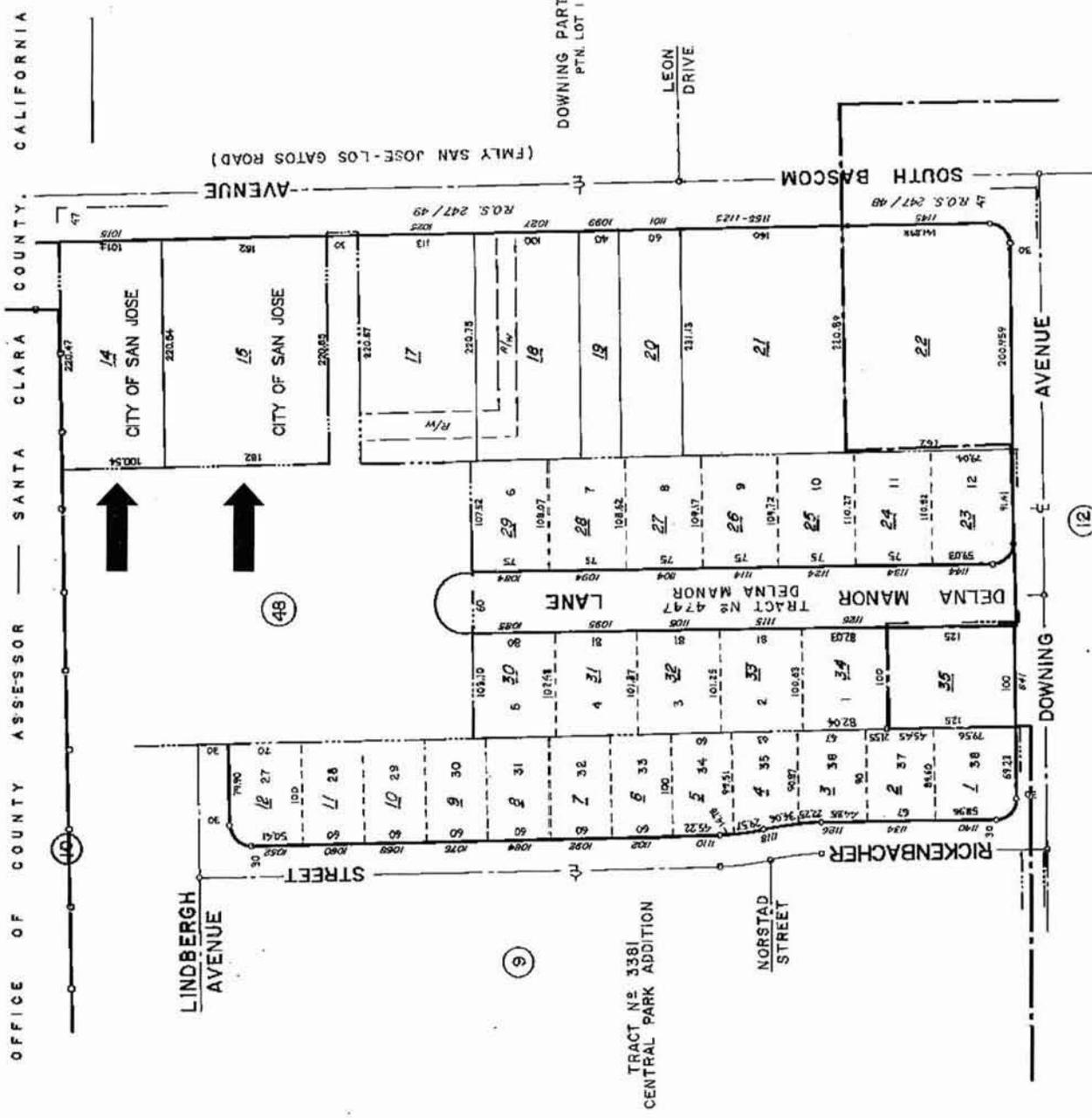
TRACT NO. 9554

P A L M H A V E N (44)

EXHIBIT A



LAWRENCE E. STONE - ASSESSOR
 Created map for assessment purpose only.
 Compiled under R. & T. Code, Sec. 327.
 Effective Roll Year 2005-2006



OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

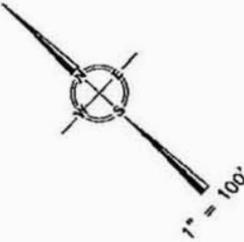
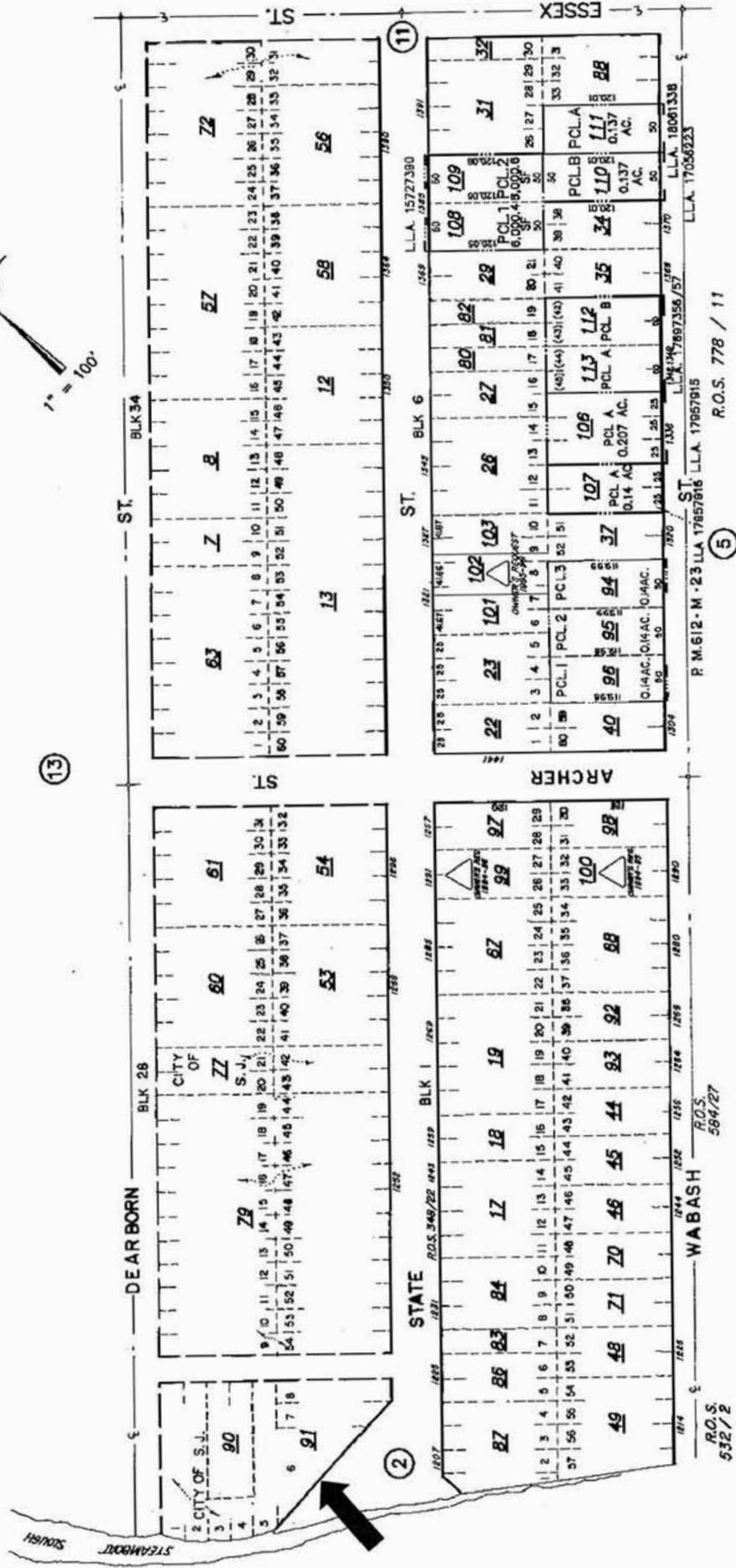


EXHIBIT A



LAWRENCE E. STONE - ASSESSOR
 Computed map for assessment purposes only.
 Computed under B. & T. Code, Sec. 327.
 Effective Roll Year 2008-2008

R.O.S. 778 / 11

R.O.S. 584/27

R.O.S. 532/2