



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen
Jennifer A. Maguire
Albert Balagso

SUBJECT: SEE BELOW

DATE: 07-14-08

Approved

Date

7/23/08

COUNCIL DISTRICT: 6
SNI Area: Burbank/Del Monte

SUBJECT: ADOPTION OF A RESOLUTION APPROVING A PURCHASE AGREEMENT OF REAL PROPERTY LOCATED AT 495 MAYELLEN AVENUE AND ADOPTION OF APPROPRIATION ORDINANCE AMENDMENTS IN THE SUBDIVISION PARK TRUST FUND FOR THE MAYELLEN AVENUE LAND ACQUISITION PROJECT

RECOMMENDATION

- a) Adoption of a resolution approving a purchase agreement with Henry Morado and Ofelia Lopez Morado, for the purchase of real property located at 495 Mayellen Avenue, San José, CA (APN No. 277-16-060) and authorizing the Director of Public Works to execute any additional documents necessary to complete the transaction.
- b) Adoption of the following Appropriation Ordinance amendments in the Subdivision Park Trust Fund (Fund 375):
 1. Establish an appropriation to the Parks, Recreation and Neighborhood Services Department in the amount of \$421,000 for the Mayellen Avenue Land Acquisition; and
 2. Decrease the Reserve: Future PDO/PIFO Projects by \$421,000

OUTCOME

Acquisition of the subject property will assist in meeting the goal of adding parkland within City Council District 6's Burbank/Del Monte community. Development of Buena Vista Park in 2003 addressed the recreational needs of pre-school aged children by providing a tot lot. At 0.2 acres, this park is one of the smallest parks in the City. The property at 495 Mayellen Avenue is immediately adjacent to Buena Vista Park and its purchase will allow the City to approximately double the size of the park, which will better serve the needs of the community.

BACKGROUND

In order to meet neighborhood improvement challenges, the City of San José, the San José Redevelopment Agency and many of the residents of the Burbank/Del Monte Area joined in a strategic planning process that established a shared vision for the area. This effort resulted in the Burbank/Del Monte Neighborhood Improvement Plan dated June 2002. The #1 Neighborhood goal outlined in this plan is to develop parks and open space.

At the beginning of the planning process for the Burbank/Del Monte Strong Neighborhood Initiative (SNI), the area had no City parkland. Although three parks have opened since 2000, (O'Connor, Cahill, and Buena Vista), the area is still significantly lacking in parkland. The Improvement Plan estimated the Burbank/Del Monte's 2000 population at 13,572, which yields a need for 47.5 acres of parkland. However, the three new parks recently completed provide only 5.5 acres of parklands. In addition, Luther Burbank Elementary School (the only school located in the Burbank/Del Monte SNI Area) provides an additional 2.5 acres of recreational land to this community. The City's General Plan goal is to provide 3.5 acres of recreational land per 1000 population. Currently the City and Luther Burbank Elementary School combined provide 8.0 acres of recreational land compared to the 47.5 acres needed to serve the current population of Burbank/Del Monte SNI Area.

In addition, vacant land for park space is extremely limited due to the extensive development of the Burbank/Del Monte neighborhood. This area is one of the earliest developed neighborhoods in Santa Clara County and is predominantly a residential area, except for San Carlos Street, Bascom Avenue, and the lands dedicated to San Jose City College. It is home to a culturally and ethnically diverse group of residents living just three miles from downtown San José. The Burbank/Del Monte Area is a mixture of City and unincorporated lands. Santa Clara County's Strategic Park Plan does not call for the County to acquire and develop neighborhood parks in the unincorporated pockets found within the various cities of Santa Clara County. The urban development policy gives cities the basic responsibility for planning, approving, and providing neighborhood services and facilities, such as parks, to these urban unincorporated pocket areas.

Under the City's SNI Program for the Burbank/Del Monte Area, community members identified their number one strategy was to complete the development of the Buena Vista Park, and to acquire a parcel at Scott and Clifton Avenue for use as a pocket park. The City was not able to enter into a final agreement for the purchase of the property at Scott and Clifton. However, through discussions with the neighborhood, City staff became aware in spring 2008 that the property owners at 495 Mayellen Avenue, adjacent to Buena Vista Park, were selling their property.

The subject property is more fully described in Exhibit A.

ANALYSIS

The subject property has frontage on Mayellen Avenue and Scott Street and consists of one legal parcel. The subject property is located at the north-west corner of the two streets. The total site area comprises 6,665 square feet. The property is vacant, level and at street grade with surrounding properties.

The subject property was placed on the market for sale by the owners. Subsequently, Real Estate staff contacted the owners in April 2008 to discuss a possible purchase by the City. On May 20, 2008, Real Estate staff presented the owners an offer for the purchase of the subject property. The property was offered for sale at the sale price of \$412,000. Based upon the annual residential land value study prepared for the City by the appraisal firm of Diaz, Diaz and Boyd, property of this kind would range from \$65 per square foot to \$70 per square foot; therefore, staff determined that this purchase price is a fair market value price for the property. This memorandum includes a recommendation to allocate \$421,000 for the purchase of this parkland. This allocation will provide funding for the purchase of the land (\$412,000) as well as funding for the estimated closing and escrow costs (\$9,000). It is recommended that this funding be provided from the Reserve: Future PDO/PIFO Projects in the Subdivision Park Trust Fund. Collections of at least \$421,000 from the Summerhill Homes development project on West San Carlos Street, westerly of Meridian Avenue are included in this reserve. Mayellen Avenue is within the ¼ mile radius of the Summer Hill Homes development project and the proposed neighborhood park in this location will benefit the residents of this housing development.

EVALUATION AND FOLLOW-UP

Staff will seek City Council approval at a later date for the appropriation of funds for the design and construction of the park.

POLICY ALTERNATIVES

Alternative #1: Do not purchase property

Pros: Eliminates the maintenance impact to the general fund.

Cons: The City will be losing out on an opportunity to provide additional park space to the neighborhood.

Reason for not recommending: This area of the City is very park deficient. Since the site at 495 Mayellen Avenue is currently for sale, and vacant, the City has the ability to take advantage of this unique opportunity and purchase the property now. If the City does not purchase the property, a residential home could be built on the site and the current opportunity to expand Buena Vista Park will be lost.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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)**

While this action does not meet the \$1 million threshold under Criteria 1, this memorandum will be posted on the City's website for the August 5, 2008 Council agenda.

This project was discussed at the Burbank/Del Monte SNI parks committee meeting on Wednesday, July 9, 2008.

COORDINATION

This project has been coordinated with the Department of Planning, Building and Code Enforcement, and the City Attorney's Office, and the Council District 6 Office.

FISCAL/POLICY ALIGNMENT

This purchase agreement complies with the general budget principles in the March 2008 Mayor's Budget Message, General Recommendations by being open to alternative ways to deliver services and reduce costs through appropriate community partnerships and public-private partnerships.

COST SUMMARY/IMPLICATIONS

1. AMOUNT RECOMMENDED FOR THE ACQUISITION:
Amount of City's offer to be deposited in escrow: \$421,000
(Total cost includes estimated escrow and closing costs estimated at \$9,000)
2. SOURCE OF FUNDING: Fund 375 – Subdivision Park Trust Fund
3. OPERATING COST: This memorandum provides funding for the purchase of land for the future expansion of an existing park. Once the design of the expanded park has been completed, the operating and maintenance impact will be determined.

HONORABLE MAYOR AND CITY COUNCIL

07-14-08

**Subject: 495 Mayellen Avenue Neighborhood Park Acquisition and Adoption of Appropriation Ordinance
Amendment in the Subdivision Park trust Fund**

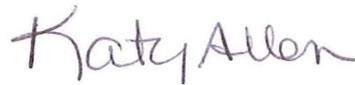
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CEQA

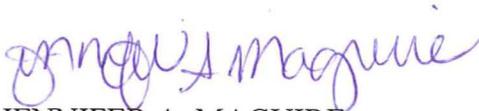
CEQA: Exempt, PP08-140.



ALBERT BALAGSO
Director, Parks, Recreation
And Neighborhood Services



KATY ALLEN
Director, Public Works Department



JENNIFER A. MAGUIRE
Budget Director

For questions please contact DAVID SYKES, ASSISTANT DIRECTOR, PUBLIC WORKS
DEPARTMENT, at 408-535-8300.



Exhibit A

Site Map



OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

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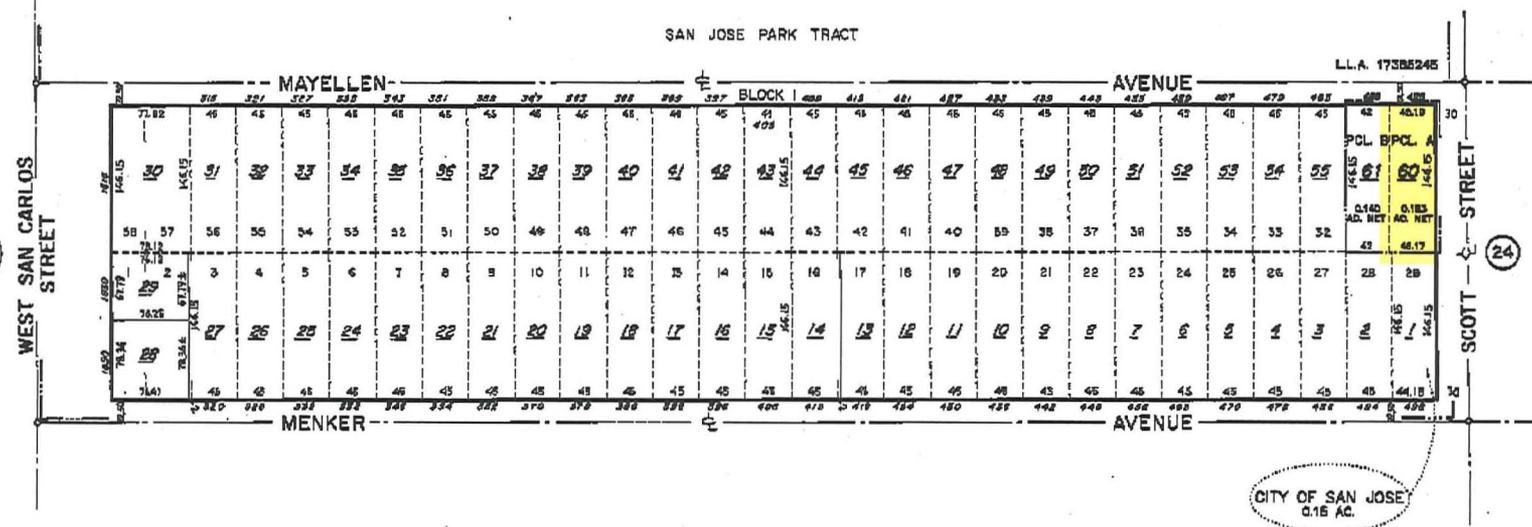


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SAN JOSE PARK TRACT

L.L.A. 17586246

BK 274



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EXHIBIT A-1

LAWRENCE E. STONE - ASSESSOR
Contract #100 for assessment purposes only.
Compiled under R. & T. Code, San. 327,
Effective Roll Year 2005-2006