



COUNCIL AGENDA: 09-16-08

ITEM: 2.5

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

**SUBJECT: DONATION OF CITY-OWNED
PROPERTY TO COUNTY OF
SANTA CLARA**

DATE: 08-25-08

Approved

Christine J. Shuppiy

Date

8-27-08

COUNCIL DISTRICT: 3

SNI: Julian Stockton

RECOMMENDATION

Adoption of a resolution:

1. Declaring the vacant .05 acres of City-owned property at the southeast corner of Santa Teresa Street and Coleman Avenue surplus to the needs of the City;
2. Approving a Donation Agreement between the City and the County of Clara for transfer of the property to the County pursuant to San José Municipal Code Section 4.20.060; and
3. Delegating authority to the Director of Public Works to execute all documents necessary to complete the transfer of the property.

OUTCOME

Adoption of this resolution will declare the approximate 2,181 square foot (.05 acre) City-owned property (Assessor Parcel 259-22-066) at the southeast corner of Santa Teresa Street and Coleman Avenue surplus to the needs of the City and approve the donation agreement transferring the property to the County of Santa Clara, the adjoining property owner.

BACKGROUND

The subject property was purchased by the City on July 15, 1959 as part of the Fox Avenue street vacation and freeway overcrossing at Coleman Avenue. This small parcel is a remainder of a larger parcel that was conveyed to the State of California on July 23, 2001. The subject property has been presented for review to the City Property Acquisition and Disposition Committee and to all City departments to determine if there is any facility or operational need for the property. The property has a water valve which services the road median. An easement for the valve and maintenance is part of the legal description. No other current or future needs for the property have been identified.

Municipal Code Section 4.20.060 permits the City Council to authorize the sale of surplus City property to other government bodies upon such terms and conditions, if any, as the Council in its discretion may provide.

Staff has received numerous complaints as to the accumulation of trash and private advertisement on the subject property.

ANALYSIS

The City parcel being proposed for transfer to the County is located on the southeast corner of Santa Teresa Street and Coleman Avenue. A parcel map has been attached as Exhibit A.

San José Municipal Code Section 4.20.060 (B) (2) allows the City to transfer title to other governmental entities without an auction, upon such terms and conditions as the Council may provide.

The parcel is designated under the General Plan as "Combined Industrial/Commercial." Based upon discussion with appraisers commissioned by the City; the property, if developable, would be valued at \$45 per square foot. Both the width of the property (28.78 feet) and the reservation of an easement to the City for a water line and valve make the site undevelopable, thus reducing value by 95%. Thus a reasonable estimate of fair market value is \$4,907.25 (2,181 square feet x \$45/square foot x 5%). Staff is recommending the donation of the property to the County without compensation in order to reduce maintenance and liability for this property.

The City-owned property may be needed in the near future for access to the highway infrastructure for Caltrans maintenance and improvement projects. The County has determined it would be easier for Caltrans to obtain access rights from just one entity over properties currently held by the City and the County separately. Therefore, the County would like to accept this property as a donation and also is willing to assume the additional maintenance and liability involved.

EVALUATION AND FOLLOW-UP

The transfer of the subject property is anticipated to be completed within 30 days of approval by Council.

POLICY ALTERNATIVES

Alternative # 1: Reject the donation agreement and continue City ownership of the property.

Pros: By retaining the property, the City retains the ability to develop the property for future municipal purposes.

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

Reason for not recommending: Continuing ownership of the property will result in continuing maintenance expenses and potential liability. No future municipal uses have been identified.

PUBLIC OUTREACH

- 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)**

Information packets were mailed to individuals who requested to be added to the General Bidders' List. This action does not meet any of the above listed criteria; however it will be posted on the City's website for the September 16, 2008 Council agenda.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

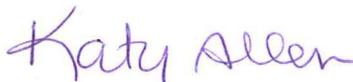
This sale is consistent with budget strategies *1h. Review of underused Lands and 6e. Review of City-owned Assets* as outlined in the adopted Mayor's March 2008 Budget Message.

COST SUMMARY/IMPLICATIONS

The City's cost for the sale of the property will consist of staff time to prepare the sales documents and complete the transaction. The County will pay all title, tax and recording fees.

CEQA

CEQA: Exempt PP08-178



KATY ALLEN
Director, Public Works Department

HONORABLE MAYOR AND CITY COUNCIL

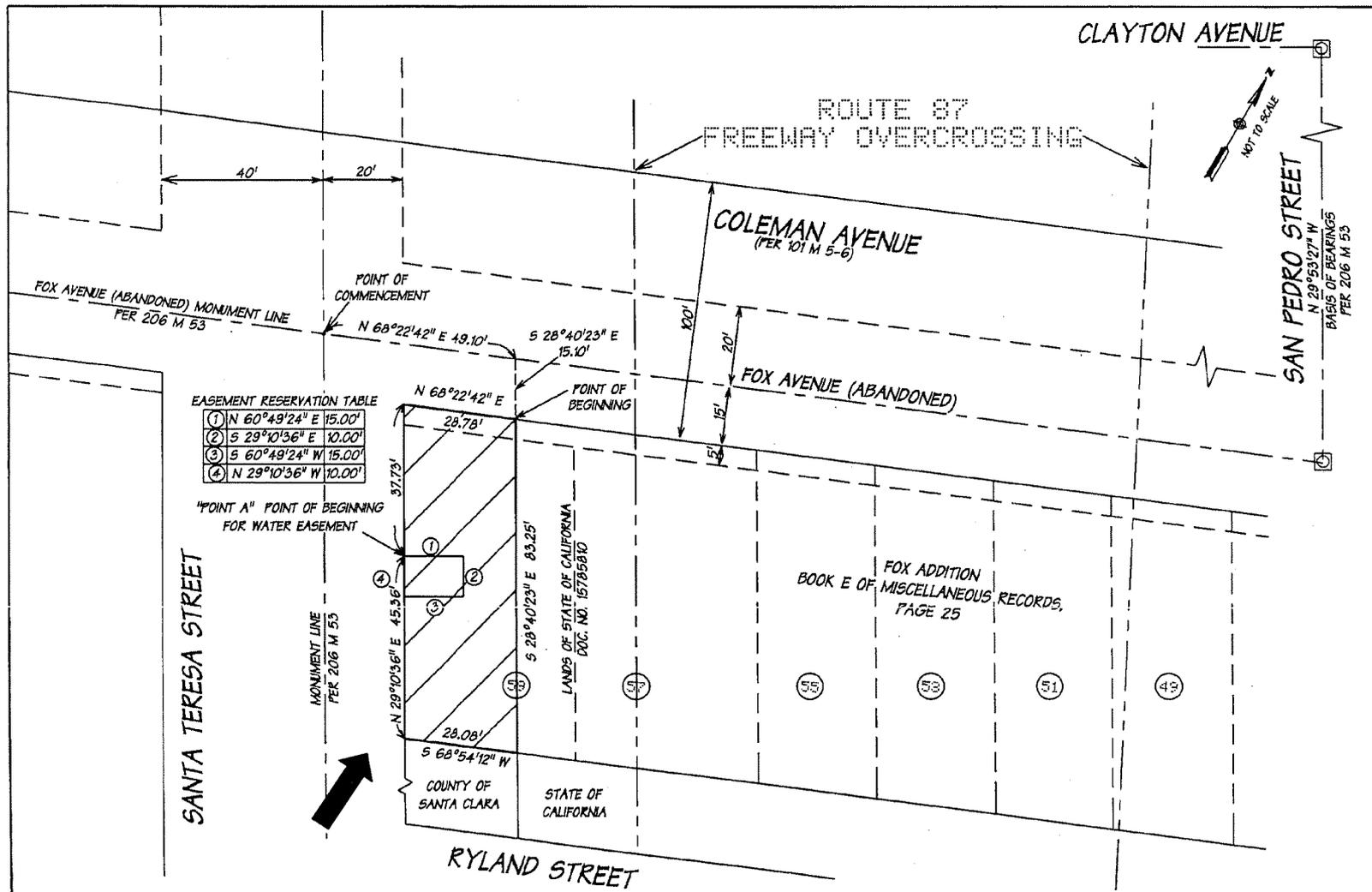
08-25-08

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

Attachment



EASEMENT RESERVATION TABLE

①	N 60°49'24" E	15.00'
②	S 29°10'36" E	10.00'
③	S 60°49'24" W	15.00'
④	N 29°10'36" W	10.00'

"POINT A" POINT OF BEGINNING FOR WATER EASEMENT

 DESCRIBED PROPERTY CONTAINS APPROXIMATELY 2,344.12 SQ. FT. (0.05 ACRES)

08-020.DGN

PLAT TO ACCOMPANY
DESCRIPTION OF REAL PROPERTY

PREPARED BY
CITY OF SAN JOSE
SURVEY SECTION
MARCH 28, 2008