

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Walesh

SUBJECT: SEE BELOW

DATE: October 9, 2012

Approved

Date

10/11/12

COUNCIL DISTRICT: #9

SUBJECT: SALE OF A PORTION OF CITY-OWNED PROPERTY ON CHERRY AVENUE

RECOMMENDATION

Adopt a resolution:

- a. Declaring 1,090 square feet of Cherry Avenue, east of Almaden Expressway, surplus to the needs of the City;
- b. Approving an agreement between the City and Arcadia Development Company (Arcadia) for sale of the property in the amount of \$24,000; and
- c. Authorizing the City Manager or her designee to execute the sale agreement, the deed and all other documents necessary to complete the transaction.

OUTCOME

Adoption of this resolution will allow the sale of approximately 1,090 square feet of a City-owned property on Cherry Avenue, east of Almaden Expressway as defined in Attachment A, to Arcadia for an amount of \$24,000 that will be deposited to the General Fund.

BACKGROUND

On October 16, 2012, the City Council considered a resolution of intent to vacate a portion of Cherry Avenue. The vacation is related to the Almaden Ranch project that will create 400,000 square feet of retail space on the 43.5 acre site. As a condition of development, Arcadia Development Company is required to realign and extend the existing Cherry Avenue to connect to Sanchez Drive in compliance with the current plan line. The realignment created an excess piece of right-of-way that needs to be vacated. The property to be vacated is immediately adjacent to but not

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part of the Arcadia project. Arcadia agreed to purchase the property for \$24,000. The land price is comparable to vacant land sales in the area.

ANALYSIS

This City-owned property is adjacent to the Almaden Ranch project east of Almaden Expressway. With the development of the Almaden Ranch project, the existing Cherry Avenue will be realigned and extended by the project, creating an excess piece of street right-of-way surplus to City needs. The City-owned property is not needed for building or roadway development. Staff has determined that there are no other municipal purposes now or in the foreseeable future for which the property could be used and therefore there is no reason for the City to own and maintain the property. Arcadia has agreed to purchase the land at a price of \$24,000 which is comparable to recent vacant land sales in the area. The property, once purchased by Arcadia, will be landscaped to compliment the Arcadia development.

Municipal Code Chapter 4.20 permits the sale of City-owned surplus property upon Council finding and determining that the property is not needed for, nor adaptable to, municipal purposes. The Municipal Code further authorizes the sale of surplus property through direct negotiation at fair market value to the owner of property adjacent to such surplus property. Staff reviewed market activity in the area prior to offering the property for sale. Staff review included recent sales and current listings in and around the area. Staff has determined that the proposed sale price represents fair market value for the property, particularly in light of its configuration and location.

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 sale of the property and continue City ownership.

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

Cons: By rejecting the sale, 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 continued 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)**

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- 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)**

This action does not meet any of the above listed criteria; however it will be posted on the City's website for the October 23, 2012 Council agenda.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office, the City Attorney's Office, and the Public Works Department.

FISCAL/POLICY ALIGNMENT

The proposed sale is in alignment with the Mayor's March 2009 Budget Message, Investment Strategies section, Item 1h which stated: "The city is currently undergoing a rigorous asset Management review to include the sale of nonessential and underperforming city-owned properties, restructuring of existing leases with for-profit and non-profit operators of city facilities, and leasing of city infrastructure to private or other governmental operators."

COST SUMMARY/IMPLICATIONS

The 2012-2013 Adopted Budget includes a \$1,400,000 General Fund revenue estimate for the sale of surplus property. The net proceeds of \$24,000 from the property sale will help meet the funding goals.

CEQA

Almaden Ranch Retail Center EIR (Resolution No. 76168).

/s/

KIM WALESH
Director of Economic Development
Chief Strategist

For questions please contact Nanci Klein, Deputy Director, at (408) 535-8184.

Attachments

ATTACHMENT A
DESCRIPTION OF REAL PROPERTY

DESCRIPTION
STREET VACATION
ALMADEN RANCH, SAN JOSE, CA

All that certain real property situate in the City of San Jose, County of Santa Clara, State of California, being more particularly described as follows:

Being a portion of Chynoweth Avenue as described in that certain Grant Deed recorded January 5, 1971 in Book 9178, Page 352, Santa Clara County Official Records, being more particularly described as follows:

Beginning at the southerly common corner of Parcel 1 and Parcel 2 as said Parcels are shown on that Parcel Map recorded January 9, 1978 in Book 434 of Maps at Page 5, Santa Clara County Records;

Thence along the southerly line of said Parcel 2, North $84^{\circ} 50' 00''$ East 111.71 feet;

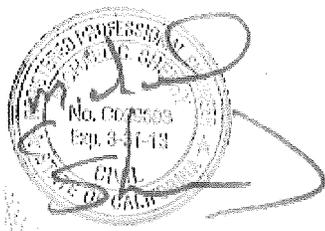
Thence leaving said southerly line the following three (3) courses and curve:

South $56^{\circ} 06' 44''$ West 35.25 feet;

A non-tangent curve to the left, radial bearing South $05^{\circ} 42' 59''$ West, radius 1053.00 feet, central angle $04^{\circ} 26' 53''$, and curve length 81.75 feet;

North $05^{\circ} 10' 00''$ West 4.63 feet to the Point Of Beginning.

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06/01/12

ATTACHMENT C
AERIAL MAP

