

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE DECLARING CERTAIN CITY-OWNED PROPERTY LOCATED AT 500 SOUTH FIRST STREET AS SURPLUS TO THE NEEDS OF THE CITY, APPROVING AN AGREEMENT WITH MOVIMIENTO DE ARTE Y CULTURA LATINO AMERICANA DE SAN JOSE, INCORPORATED, FOR SALE OF THE PROPERTY IN THE AMOUNT OF \$1.4 MILLION, AND AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO EXECUTE CERTAIN DOCUMENTS NECESSARY TO COMPLETE THE TRANSACTION

WHEREAS, the City of San José (“City”) owns property as shown on Attachment “A” attached hereto, located at 500 South First Street, comprised of an approximately 33,284 square foot building on an approximately 19,023 square foot parcel (“Property”); and

WHEREAS, the Property was purchased by the San José Redevelopment Agency (“RDA”) in 1998, and was conveyed from the RDA to the City in June 2011; and

WHEREAS, Movimiento de Arte y Cultura Latino Americana De San Jose, Incorporated (“MACLA”), a nonprofit multicultural arts organization, has been a tenant at the Property since 1992, and is an anchor cultural institution in the City’s Downtown area; and

WHEREAS, the Property is no longer necessary for municipal purposes, and the sale thereof would serve the public interest by securing General Fund revenues and strengthening Downtown San José as the creative and cultural center of Silicon Valley; and

WHEREAS, the San José Municipal Code authorizes the City Council to declare City-owned real property surplus to the needs of the City and to authorize the sale or exchange of such surplus property; and

WHEREAS, Section 4.20.080 of the San José Municipal Code allows the City to sell surplus property, at a private negotiated sale, to any nonprofit corporation engaged in programs or projects which provide a direct benefit to the residents of the City; and

WHEREAS, MACLA is a nonprofit corporation that serves approximately 30,000 San José residents each year, and desires to purchase the Property in the amount of \$1.4 million, which represents fair market value for the Property, in order to invest in the Property and provide stability for MACLA's future; and

WHEREAS, the City desires to declare the Property as surplus, approve an agreement for sale of the Property to MACLA in the amount of \$1.4 million, and authorize the execution of all documents necessary to complete the transaction;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The Property is not needed for, nor adaptable to, municipal purposes, and the public interest would be served by the sale of such surplus Property; and
2. The agreement with MACLA for sale of the Property in the amount of \$1.4 million, \$650,000 to be paid in cash over a three-year period and \$750,000 to be paid in in-kind services over a 20-year period, is hereby approved; and

3. The City Manager or her designee is authorized to execute the sale agreement, the deed and all other documents necessary to complete the transaction.

ADOPTED this _____ day of _____, 2012, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

CHUCK REED
Mayor

ATTEST:

DENNIS D. HAWKINS, CMC
City Clerk

Attachment "A"

Lot 2, Block 5, Range 2 South, as shown on the Map entitled, "City of San Jose, copied from the original Map drawn by Sherman Day, Civil Engineer", which maps was filed for record in the office of the Recorder of the County of Santa Clara, State of California in Book "A" of Maps, at Pages 72 and 73.

