



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nanci Klein
Matt Cano
Robert Sapien Jr.
Kerrie Romanow

SUBJECT: SEE BELOW

DATE: November 21, 2022

Approved

Date

12/2/22

COUNCIL DISTRICT: 7

SUBJECT: ACQUISITION OF PROPERTY AT TUERS ROAD AND CAPITOL EXPRESSWAY

RECOMMENDATION

Adopt a resolution authorizing the City Manager to negotiate and execute a purchase and sale agreement, and all other documents necessary, to effectuate the property transfer to the City, with the County of Santa Clara for the purchase by the City of 0.85 acres of land located at the southwest corner of Tuers Road and Capitol Expressway, as described and depicted in Attachment A, for a price of \$645,000.

OUTCOME

Approval of the resolution authorizes the City to negotiate and execute a purchase and sale agreement with the County of Santa Clara (County) to acquire the property as described and depicted in Attachment A (Property) located at the southwest corner of Tuers Road and Capitol Expressway.

Project planning for a potential new Fire Station 36 and continued use by the San José Municipal Water System Headquarters (Municipal Water), including planning for any potential redevelopment of the Municipal Water facility, would commence upon the City’s ownership of the Property.

BACKGROUND

On November 6, 2018, the City of San José voters passed Measure T, the Disaster Preparedness, Public Safety and Infrastructure Bond, which authorized the City to issue up to \$650 million in general

obligation bonds to fund public safety, emergency and disaster responses, infrastructure, and roads. On November 27, 2018, City Council unanimously approved a report titled *General Obligation Bond (Measure T Public Safety and Infrastructure Bond)* which included Mayor Sam Liccardo's recommendation to expedite the construction of Fire Station 37, rebuild/relocate Fire Stations 8 and 23, and build at least two new fire stations, including Fire Station 36.

Emergency response to the Ramblewood/Sylvandale areas near Capitol Expressway and McLaughlin Avenue has been challenged by distance and traffic which is further limited by the 101 Freeway corridor. The four fire stations surrounding this area (Stations 16, 18, 24, and 26) accounted for 19.6% of the more than 7,500 responses Citywide in 2018, which exceeded the four-minute travel time goal. The Fire Department identified the new Fire Station 36 as the third most important addition to address the coverage issue noted by this delay in travel time.

After an extensive property search, staff identified a portion of the City-owned property located at the northwest corner of Tuers Road and East Capitol Expressway, Assessor's Parcel Number 499-35-001, as a suitable and potential site for the new Fire Station 36. The City-owned property is unused land to the south of the Los Lagos Golf Course. The Coyote Creek Trail borders the potential Fire Station site to the west. However, the City site alone is not sufficient to construct the new Fire Station 36. The adjacent County frontage is necessary to acquire, to provide a sufficient land area for Fire Station 36 and access to Tuers Road for the Fire Station.

Adjacent to the site identified as suitable for the new Fire Station 36 is the Municipal Water Headquarters, located at 3025 Tuers Road. A gate and paved lot area used by Municipal Water has encroached into the County's right-of-way. The Municipal Water Headquarters is currently being considered for redevelopment. Acquisition of the frontage will allow for the continued use of the facility, and allow for planning for the redevelopment to include the extent of the facility's current operational area.

The purchase of the County's Property will facilitate both the construction of Fire Station 36 and the continued use/potential redevelopment of the Municipal Water Headquarters. Attachment B is an aerial map of the Property to be acquired.

ANALYSIS

The subject Property is 37,080 square feet in size, or approximately 0.85 acres, located at the northwest corner of Tuers Road and East Capitol Expressway. The Property is part of the County's Tuers Road right-of-way frontage area and has not been assigned an assessor's parcel number. The current use of the Property is as vacant roadway frontage with landscaping and a gated, paved lot used by Municipal Water, as shown in Attachment B.

The site has an irregular shape and runs along the western frontage of Tuers Road extending to the northwest of the intersection of Tuers Road and East Capitol Expressway. The intersection has no signal, and site access is limited to concrete curbs and gutters. The site has no identified agricultural

history, and the Environmental Services Department identified no environmental concerns with the site after conducting a Phase I site assessment.

The Property has a General Plan designation of Open Space, Parklands and Habitat, and is in the R-1-8 Single-Family Residence zoning district.

The County commissioned an appraisal of the Property and has agreed to sell it for the value of its appraisal, or \$645,000. Should the City acquire the Property, 19,295 square feet (0.44 acres) would continue to be used by Municipal Water, including in any potential redevelopment of the Municipal Water Headquarters; 2,000 square feet (0.05 acres) adjacent to the Municipal Water fence line and currently within the golf course driving range would be for a future potential water utility use; and 15,785 square feet (0.36 acres) would be incorporated into the potential Fire Station 36 development. Measure T and Municipal Water would each fund their portion of the acquisition price. The planning, design, and construction of any new Fire Station or any new Municipal Water facilities is subject to CEQA review.

The County requires the Board of Supervisors' approval before executing a purchase and sale agreement. The County will seek this authorization after the City Council approves the City's acquisition.

Summary of Key Terms

- Purchase price of \$645,000 reflects a \$17.39 per square foot value with
 - \$274,577 to be paid by Measure T, and
 - \$370,423 to be paid by Municipal Water
- As-is sale
- City is responsible for escrow closing costs, to be paid proportionally by Measure T and Municipal Water.
- Transaction to close within 90 days of execution of a purchase and sale agreement. The County's sale to City is contingent on approval by its Board of Supervisors.

CONCLUSION

Approval of the recommendation will authorize the City Manager to negotiate and execute a purchase and sale agreement with the County of Santa Clara to acquire 0.85 acres of right-of-way frontage land located at the southwest corner of Tuers Road and Capitol Expressway. This purchase will support the potential construction of Fire Station 36 and Municipal Water's ongoing use and the potential redevelopment of the Municipal Water Headquarters.

EVALUATION AND FOLLOW-UP

The acquisition of the subject Property is anticipated to be completed within 90 days upon

execution of a purchase and sale agreement. The Public Works Department will be responsible for the delivery of any new Fire Station and Municipal Water Headquarters redevelopment.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council agenda website for the December 13, 2022 City Council meeting.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

The proposed acquisition aligns with the City's General Plan and the Measure T Bond program.

COST SUMMARY/IMPLICATIONS

Costs to facilitate the recommended land acquisition of \$645,000 will be partially funded by the Measure T, New Fire Station 36 appropriation (\$274,577) in the Public Safety and Infrastructure Bond Fund which has a project budget of \$16.6 million. Fire Station 36 is expected to open in 2025-2026. Furniture, fixtures, and equipment for the newly constructed Fire Station 36, which are not eligible to be paid for with general obligation bond proceeds, and ongoing operations and maintenance (O&M) costs will be provided by the City's General Fund. The 2023-2027 Five-Year General Fund Forecast, released in February 2022, included \$5.0 million in 2025-2026 for O&M for Fire Station 36. Once the scope of this project is refined, the anticipated project cost and corresponding estimates for O&M will be updated accordingly.

The Water Resources Administration and Operations Facility appropriation in the Water Utility Capital Fund has a project budget of \$8.5 million and will be used to fund the remaining costs of \$370,423 for the land acquisition. The preliminary cost estimate for the complete redevelopment of the Municipal Water Headquarters facility is \$40 million, with the costs expected to be refined once a more detailed project scope and design are finalized. It is anticipated that either commercial paper or other financing mechanisms will be utilized to fund the remaining project costs. The O&M costs for this facility will be determined once the project scope and design are finalized.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the purchase of Property recommended as part of this memorandum.

Fund #	APPN #	Appn. Name	Current Total Appn	Amount for Purchase	2022-2023 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
498	415B	Measure T - New Fire Station 36	\$2,183,000	\$274,577	781	10/18/2022, Ord No. 30833
500	421C	Water Resources Administration and Operations Facility	\$6,305,000	\$370,423	309	10/18/2022, Ord No. 30833

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/
 NANCI KLEIN
 Director of Economic Development
 and Cultural Affairs

/s/
 MATT CANO
 Director of Public Works

/s/
 ROBERT SAPIEN JR
 Fire Chief, Fire Department

/s/
 KERRIE ROMANOW
 Director of Environmental Services

HONORABLE MAYOR AND CITY COUNCIL

November 21, 2022

Subject: Acquisition of Property at Tuers Road and Capitol Expressway

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For questions, please contact Kevin Ice, Senior Manager of Real Estate Services, at (408) 535-8197; Robert Sapien Jr., Fire Chief at (408) 794-6952; Katherine Brown, Deputy Director of Public Works, at (408) 795-1679, or Jeffrey Provenzano, Deputy Director of Water Resources, Environmental Services, at (408)-277-3288.

Attachments:

- A - Legal Description and Plat Map of Property
- B - Aerial Map of Property

ATTACHMENT A

Legal Description and Plat Map of Property

EXHIBIT "A"

DESCRIPTION OF REAL PROPERTY

FS No. 36 (Tuers Road – County Transfer)

All that certain real property situate in the City of San José, County of Santa Clara, State of California, being a portion of that parcel of land granted to the County of Santa Clara as described on that certain Grant Deed recorded December 11, 1963 in Book 6304 of Official Records, at Page 321, Santa Clara County Records, and being more particularly described as follows:

COMMENCING at an iron pipe the point of intersection of the Southeasterly line of the lands conveyed to A. J. Raisch Paving Company, a co-partnership, by Deed dated June 18, 1951, and recorded July 3, 1951 in Volume 2243 of Official records of the County of Santa Clara, California at page 366 and the centerline of Tuers Road as such is described in the abovementioned deed to A.J. Raisch Paving Co.;

Thence running along the Southeasterly line of that certain tract of land described in the deed from Joseph Basile, et ux, to John Weber, et Al, dated January 31, 1912, and recorded in Book 383 of Deeds, page 221, South 51° 36' 25" West 200.00 feet to the most Easterly corner of that certain tract of land described in the Deed to the City of San Jose, a municipal corporation dated September 5, 1961 and recorded September 22, 1961 in Book 5305 of Official Records, page 530, Santa Clara County Records;

Thence along the Northeasterly line of said land of the City of San Jose, North 40° 29' 35" West 240.00 feet;

Thence leaving said line of the City of San Jose lands North 61° 25' 30" East 86.00 feet to a point;

Thence North 9° 27' 40" East 42.58 feet to a point;

Thence North 32° 18' 35" West 41.56 feet to a point, and being also the **TRUE POINT OF BEGINNING** of this description;

Thence North 51° 39' 33" East 88.73 feet to the most northeasterly line of said land of the County of Santa Clara as described in said Book 6304 of Official Records, at Page 321, and also being the centerline of Tuers Road;

Thence running Northwesterly, along said centerline, North 38° 15' 35" West 564.30 feet to the most northerly corner of said parcel;

Thence along the westerly line of said parcel, South 06° 13' 00" East 148.13 feet;

Thence South 43° 27' 10" East 183.21 feet;

Thence South 32° 18' 35" East 257.79 feet to the **True Point of Beginning** of this description.

Being a portion of the Rancho Yerba Buena Y Socayre, and containing approximately 37,080.22 Square Feet (0.85 Acres), more or less.

This description was prepared from record information.

The Basis of Bearing for this description is the centerline of Tuers Road, South 38° 15' 35" East, as said bearing is described in that certain Grant Deed to the County of Santa Clara, filed for record on December 11, 1963 in Book 6304 of Official Records, at Page 321, Santa Clara County Records.

Attached hereto and by reference a part hereof is a plat labeled "PLAT TO ACCOMPANY LEGAL DESCRIPTION OF REAL PROPERTY" depicting the subject property.

This description was prepared from record information.

The above description of real property was prepared by me, or under my supervision, in conformance with the requirements of Section 8726 (g, k, l, m) of the Business and Professions Code of the State of California.



A handwritten signature in blue ink, appearing to read "S G", is written over a horizontal line.

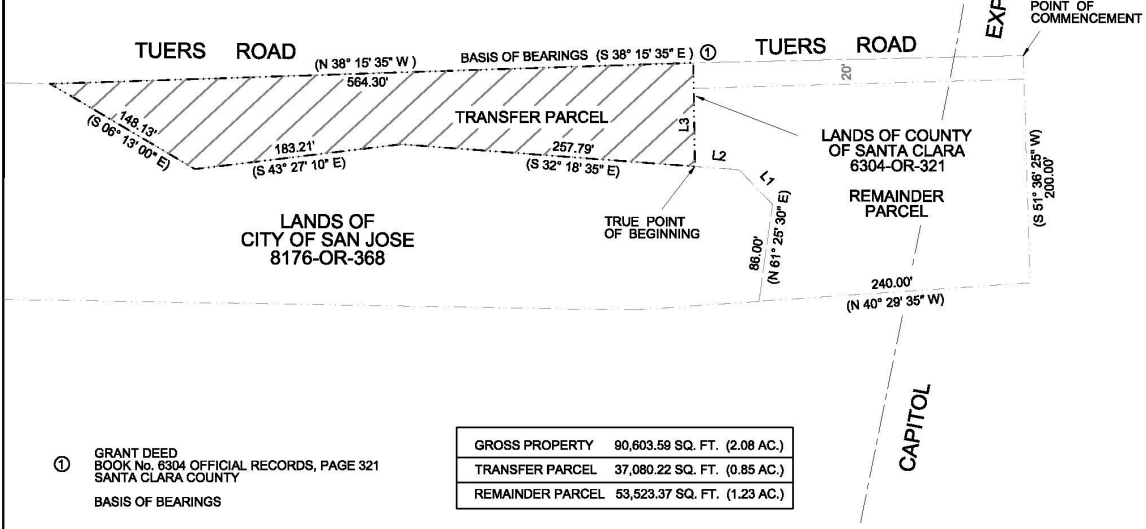
Steve G. Choy, PLS 6672



SCALE: 1" = 100'

LEGEND	
- - -	PROPERTY LINE
- - - - -	CENTERLINE
	TRANSFER PARCEL

LINE TABLE		
No.	BEARING	LENGTH
L1	N 09° 27' 40" E	42.58'
L2	N 32° 18' 35" W	41.56'
L3	N 51° 39' 33" E	88.73'



① GRANT DEED
 BOOK No. 6304 OFFICIAL RECORDS, PAGE 321
 SANTA CLARA COUNTY
 BASIS OF BEARINGS

GROSS PROPERTY	90,603.59 SQ. FT. (2.08 AC.)
TRANSFER PARCEL	37,080.22 SQ. FT. (0.85 AC.)
REMAINDER PARCEL	53,523.37 SQ. FT. (1.23 AC.)

EXHIBIT A-1
PLAT TO ACCOMPANY
LEGAL DESCRIPTION OF REAL PROPERTY

PREPARED BY
 CITY OF SAN JOSE
 SURVEY SECTION
 SEPT. 16, 2021

ATTACHMENT B

Aerial Map of Property

