

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) DECLARING THE PROPERTY LOCATED AT 1590-1600 LAS PLUMAS AVENUE AS “EXEMPT SURPLUS LAND” PURSUANT TO CALIFORNIA GOVERNMENT CODE §54221(F)(1)(D) AND IN ACCORDANCE WITH SAN JOSÉ MUNICIPAL CODE §4.20.080; AND (B) AUTHORIZING THE CITY MANAGER OR DESIGNEE TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY FOR THE SALE OF APPROXIMATELY 1.76 ACRES OF CITY OWNED PROPERTY FOR THE PRICE OF \$3,817,000 FOR USE RELATED TO THE CONSTRUCTION OF THE BAY AREA RAPID TRANSIT SILICON VALLEY PHASE II PROJECT, AND ALL OTHER NECESSARY DOCUMENTS TO COMPLETE THE PROPERTY TRANSFER**

**WHEREAS**, the City of San Jose (“City”) may declare City-owned real property as surplus to the needs of the City, and Section 4.20.080 of the San José Municipal Code authorizes the City Council to enter into a sale of such land through direct negotiation at fair market value to any other governmental or public agency; and

**WHEREAS**, in 2010, the City’s Environmental Services Department (“ESD”) purchased approximately 1.76 acres of land located at 1590-1600 Las Plumas Avenue further identified as Assessor’s Parcel Number 254-03-039 (“Property”) for the potential expansion of the Environmental Innovation Center located across Nipper Avenue; and

**WHEREAS**, a master plan process for the Property was initiated in 2011 but was put on hold and never completed, the building on the Property was subsequently rented as office space until 2017, and since that time the building has been vacant and is currently in poor condition and not suitable for continued occupation; and

**WHEREAS**, ESD identified the sale of the Property as a measure to offset rate increases proposed for the City's Residential Garbage and Recycling program, and when City staff began the process to dispose of the Property the Santa Clara Valley Transportation Authority ("VTA") notified the City that the Property is required for construction lay-down for the Bay Area Rapid Transit ("BART") Silicon Valley Phase II ("BSVII") Project that will extend BART service from the newly opened Berryessa Transit Center into downtown San José; and

**WHEREAS**, City staff subsequently began direct negotiations with the VTA in conformance with California Government Code §54221(f)(1)(D) and San José Municipal Code §4.20.080(B)(2), as VTA is a government agency which requires the Property for its own governmental use; and

**WHEREAS**, a City-commissioned appraisal report dated August 14, 2020 valued the Property at \$4,760,000 based on the extraordinary assumption that the Property is vacant and free of contamination, and the appraisal report noted that the building improvements are currently in poor condition and need to be demolished in order to improve the property to its highest and best use; and

**WHEREAS**, a VTA-commissioned appraisal report valued the Property at \$4,985,000 without any discount for environmental contamination or hazardous material abatement; and

**WHEREAS**, the VTA provided a Phase II environmental assessment which noted that the site requires asbestos and lead abatement and demolition of the structure, and environmental mitigation due to the volatile organic compounds that are present in soil and groundwater exceeding the Environmental Screening Levels, in order for the Property to be improved to its highest and best use; and

**WHEREAS**, in April 2021, the City received an offer from VTA in the amount of \$3,535,000 for purchase of the Property, which included a significant discount to the appraised value due to their estimated costs for environmental mitigation in the form of a vapor barrier, hazardous materials abatement and demolition of the structure; and

**WHEREAS**, the City desires to designate the Property as “exempt surplus land” in conformance with California’s Surplus Land Act and the San José Municipal Code and approve the sale of the Property to the VTA for the price of \$3,817,000, which is the fair market value as determined by City staff given the reductions to the appraised value due to the estimated costs for environmental mitigation, for VTA’s use related to the BSVII Project that will extend BART services to downtown San José and to offset ratepayer increases for the Residential Garbage and Recycling program, in accordance with the terms outlined in the joint memorandum from the Director of Economic Development and Cultural Affairs and the Director of Environmental Services dated July 15, 2021;

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

- A. The property located at 1590-1600 Las Plumas Avenue is surplus to the needs of the City and is hereby declared “exempt surplus land” pursuant to California Government Code §54221(f)(1)(D) and in accordance with San José Municipal Code §4.20.080(B)(2) as a transfer of surplus property to another local, state, or federal agency for that agency’s use.
  
- B. The City Manager or designee is hereby authorized to negotiate and execute:
  - 1. A Purchase and Sale Agreement with the Santa Clara Valley Transportation Authority for the sale of approximately 1.76 acres of City

owned property, containing an approximately 30,881 square foot industrial concrete structure, located at 1590-1600 Las Plumas Avenue, further identified as Assessor's Parcel Number 254-03-039, as "exempt surplus land", for the price of \$3,817,000 for use related to the construction of the Bay Area Rapid Transit Silicon Valley Phase II Project; and

2. All other necessary documents to complete the property transfer to the Santa Clara Valley Transportation Authority.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2021, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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SAM LICCARDO  
Mayor

ATTEST:

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TONI J. TABER, CMC  
City Clerk