

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE 1) DECLARING 570,636,552,079 SQUARE FEET OF LAND AT 1123 COLEMAN AVENUE SURPLUS TO THE NEEDS OF THE CITY; AND 2) AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH COLEMAN AIRPORT PARTNERS, LLC IN THE AMOUNT OF \$25,678,620,24,843,575 FOR THE PURCHASE OF APPROXIMATELY 570,636,552,079 SQUARE FEET OF CITY-OWNED PROPERTY LOCATED AT 1123 COLEMAN AVENUE, AND ALL OTHER DOCUMENTS NECESSARY TO EFFECTUATE THE TRANSACTION

WHEREAS, the City of San José (“City”) may declare City-owned real property as surplus to the needs of the City, Section 4.20.070 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 adjacent property owners, and Section 4.20.100 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 for purposes of economic development; and

WHEREAS, in 2005, the City purchased 74.8 acres of land located at 1125 Coleman Avenue to support construction of the Airport in the short term and to facilitate economic development, including job and revenue growth, in the long term; and

WHEREAS, after City’s acquisition of the property, the City received a proposal from Coleman Airport Partners, LLC (“CAP”) for purchase and development of the property, and in May 2008 City and CAP entered into a Memorandum of Understanding that outlined the price, option period, and uses on the property including a Major League Soccer stadium and commercial development; and

WHEREAS, in March 2018, CAP completed the purchase of the land designated for commercial development; and

WHEREAS, beginning in 2011, the City identified approximately 10.5 acres of land at the property as a potential site for a soccer complex funded through 2000 Measure P General Obligation Bond funds, however the site has been determined to be unsuitable for a soccer complex given its geographic location and extensive proposed commercial development and no future municipal uses have been identified for the property; and

WHEREAS, on January 25, 2010, Earthquakes Soccer, LLC entered into a lease with the City for a soccer practice field on 2.6 acres of the property; and

WHEREAS, CAP, the adjacent property owner, has agreed to purchase both the approximately 10.5-acre and 2.6-acre portions of the property for a total of \$25,678,62024,843,575, which price represents the fair market value of the properties; and

WHEREAS, the City desires to declare the 12.67413.1 acres of City-owned land at 1123 Coleman Avenue as surplus to the needs of the City and to authorize the City Manager to negotiate and execute an agreement for the sale of the property to CAP in the amount of \$25,678,62024,843,575, and execute all documents necessary to complete the transaction in accordance with the terms outlined in the memorandum from the Director of Economic Development dated September 7, 2018;

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

1. The 570,636,552,079 square feet of property located at 1123 Coleman Avenue (APN 230-46-084 plus portions of APN 230-46-071 and APN 230-46-072) is surplus to the needs of the City.
2. The City Manager is hereby authorized to negotiate and execute a Purchase and Sale Agreement with Coleman Airport Partners, LLC in the amount of ~~\$25,678,620~~24,843,575 for the purchase of approximately 570,636,552,079 square feet of City-owned property located at 1123 Coleman Avenue (APN 230-46-084 plus portions of APN 230-46-071 and APN 230-46-072), and all other documents necessary to effectuate the transaction, in accordance with the terms outlined in the memorandum from the Director of Economic Development dated September 7, 2018.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk