

# Actions Related to the Purchase & Sale of the Brandenburg and Sobrato North Coyote Properties

NOVEMBER 6, 2019



















# Measure T: The Disaster Preparedness, Public Safety and Infrastructure Bond

- ▶ November 6, 2018 over 70% of the voters approved Measure T
- ▶ Authorized \$650 million in General Obligation bonds to improve emergency and disaster response and investment in infrastructure
- ▶ Measure T includes a \$50 million allocation for environmental protection including the acquisition of land and construction of improvements associated with water quality and flood protection

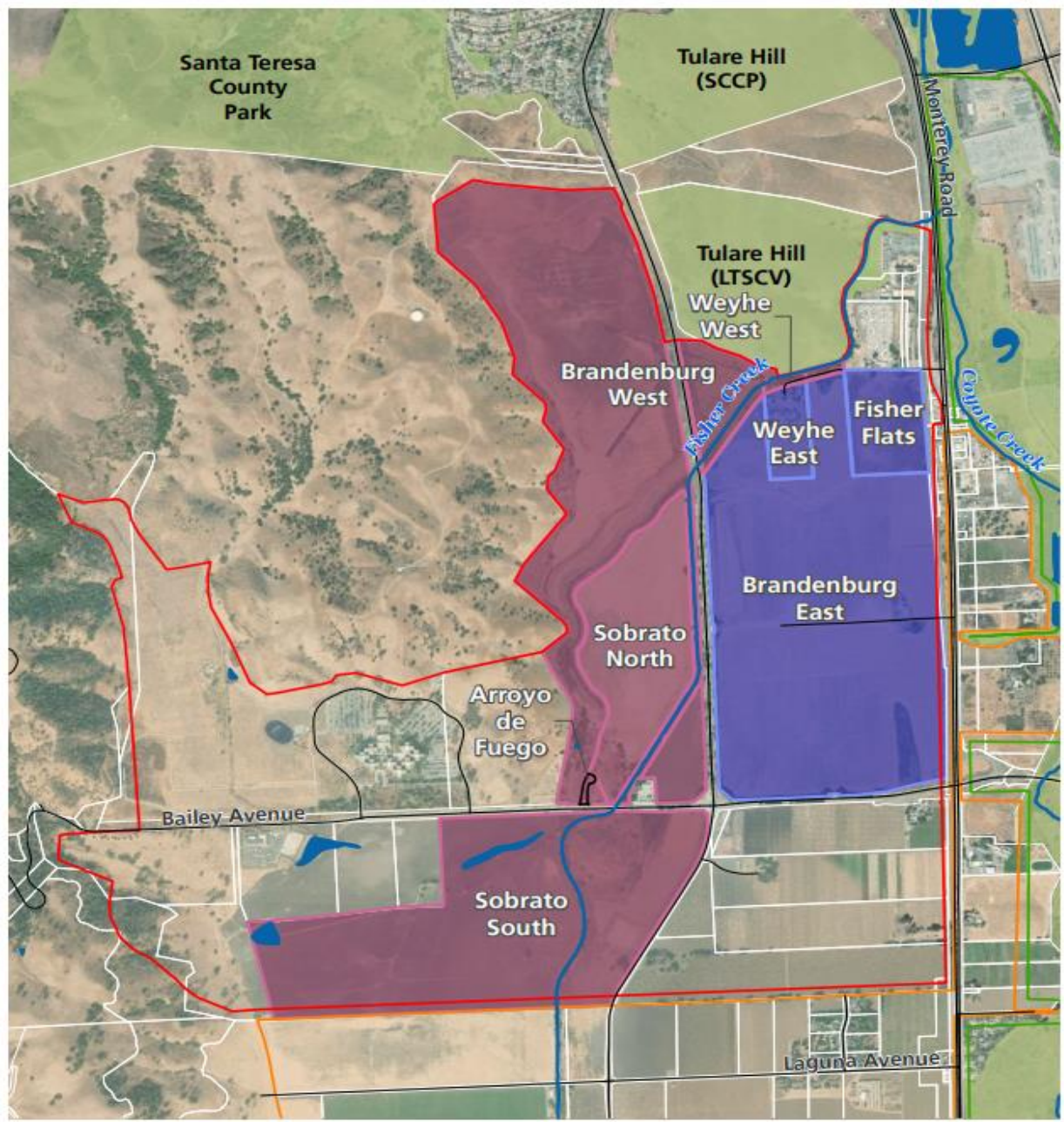
# Summary of the Proposed Financial Transaction

## City contribution totaling \$45,901,200, which includes:

- ▶ **\$32,441,200** toward the purchase of the Brandenburg Property
- ▶ **\$5,860,000** for the purchase of Fisher Flats (adjacent to the Brandenburg Property)
- ▶ **\$7,600,000** to redeem the CFD 9 Bonds (as described later in this presentation)

## POST/OSA contribution totaling \$49,970,000, which includes:

- ▶ **\$4,660,000** toward the purchase of the Brandenburg Property
- ▶ **\$2,410,000** for the purchase of the Weyhe Property (surrounded by the Brandenburg Property)
- ▶ **\$21,500,000** for the purchase of the Sobrato North Property • **\$16,000,000** for the purchase of the Sobrato South Property
- ▶ **\$5,000,000** to the City to retire the City Advance (related to the CFD9 described below)



North Coyote Acquisition Structure

- POST Fee-owned, Planned Transfer to SCVOSA
- North Coyote Valley
- City of San Jose Fee-owned, SCVOSA Easement
- Mid Coyote Valley
- South Coyote Valley

Map date: 10/28/2019  
 Sources: ESRI, POST, CPAD, NWI, Santa Clara County.



# North Coyote City/POST/OSA Proposed Ownership

# Key Documents

- ▶ Brandenburg Purchase and Sale
- ▶ Sobrato North Purchase and Sale
- ▶ Master Transfer Agreement
- ▶ Conservation Easement
- ▶ Interim Operations Plan
- ▶ CFD Disolution

# Brandenburg Purchase and Sale

- ▶ “As Is” Sale
- ▶ City assumes liability for the property as of the date of close
- ▶ Seller retained obligations
- ▶ 1033 letter
- ▶ Relocation/Demolition

# Relocation and Demolition

- ▶ Three residential structures
- ▶ \$248,800 total relocation cost
- ▶ \$150,000 demolition cost
- ▶ \$398,800 credit

# Sobrato North Purchase and Sale

- ▶ “As-Is” Sale
- ▶ 1033 Letter

# Sobrato South

- ▶ \$16,000,000 by POST
- ▶ Brandenburg and Sobrato North properties contingent upon Sobrato commitment to sell Sobrato South to POST
- ▶ Closing no later than May, 2022



# Actions Related to Community Facility Districts (CFDs) in North Coyote Valley

- ▶ CFD No. 9 and CFD 5A were formed to facilitate development in North Coyote Valley
- ▶ In order to complete the purchase of the Brandenburg and Sobrato North properties CFD No. 9 and CFD 5A must be dissolved.

# Master Transfer Agreement “MTA”

- ▶ MTA— Summary of necessary transactions, assignments, releases, etc.
- ▶ Outlines, transfers, and payments
- ▶ POST/OSA Indemnification
- ▶ City returned liability

# Conservation Easement “CE”

- ▶ CE applies to all land acquired and retained by the City
- ▶ In perpetuity
- ▶ Weyhe, should the City accept the property
- ▶ CE protects conservation values such as water resources, wildlife habitat, connectivity, environmental education, agricultural and cultural resources, as well as passive recreation
- ▶ CE prohibits development and preserves open space of the land for flood control and conservation purposes

# Water Rights

- ▶ Three existing wells
- ▶ Permits lease on sale of the system
- ▶ Well replacement
- ▶ Well relocation
- ▶ Service delivery prohibition and exceptions

# Interim Management and Operations Plan

- ▶ Interim operation of property
- ▶ Demolish residential structures
- ▶ Illegal dumping and potential encampments
- ▶ Final management plan, requires City Council, POST, OSA approval

# Vacation of Arroyo De Fuego Court at Bailey Avenue

- ▶ Necessary for City to transfer portions of the Brandenburg property to POST/OSA

# Impact on Job Production and Coordination with GP2040 Four-Year Review

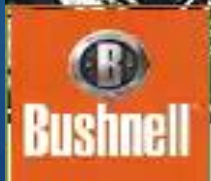
- ▶ North Coyote is currently planned for 35,000 jobs
- ▶ In the course of the GP2040 Four-Year Review, the Task Force will explore reallocation of some or all of the previously planned job growth in Coyote Valley

# Next Steps

- ▶ Close of Escrow anticipated by November 26, 2019
- ▶ Weyhe Property transfer before February
- ▶ OSA will lead the permanent Master Plan
- ▶ City, POST, OSA to initiate water evaluation efforts







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