



Memorandum

TO: HONORABLE MAYOR,
CITY COUNCIL AND
SUCCESSOR AGENCY BOARD

FROM: Richard A. Keit

SUBJECT: SEE BELOW

DATE: March 12, 2018

Approved

Date

3/23/18

**SUBJECT: APPROVAL OF THE PURCHASE AND SALE AGREEMENT FOR
PROPERTY LOCATED AT 1770 ALUM ROCK AVENUE**

RECOMMENDATION

Successor Agency Board approve a Purchase and Sale Agreement and Escrow Instructions between the Successor Agency to the Redevelopment Agency of the City of San Jose, as seller and the City of San José as buyer to allow the sale of 1770 Alum Rock Avenue ("Property") for a purchase price of \$221,050.

OUTCOME

Approval of the Purchase and Sale Agreement will allow the Successor Agency to sell the Property pursuant to the open solicitation process approved by the Oversight Board. The net sale proceeds will be distributed to the taxing entities, including 14.14% to the City of San José.

BACKGROUND

The Property is located at 1770 Alum Rock Avenue and is currently an unpaved, unimproved vacant lot filled with decomposed granite. The parcel is 10,224 square feet in area, 36 feet wide and 284 feet long and is situated between the sidewalk and park strip in front of the Mexican Heritage Plaza buildings. The Property was purchased by the former Redevelopment Agency in April 1995 as part of the acquisition for the Mexican Heritage Plaza site. At the time of acquisition, its intended use was for small enclosed kiosks to sell goods associated with the Mexican Heritage Plaza. The Property is zoned Planned Development and the General Plan is Public Quasi-public.

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ANALYSIS

On December 22, 2017, the Successor Agency initiated the solicitation process for the Property. The property brochure, Purchase and Sale Agreement, Title Reports and bid deadline were posted on the Successor Agency website. The notice of sale was posted on both Loopnet and Costar, two on-line real estate search sites. Also, an email blast was sent to approximately 200 brokers and realtors.

Bids were due March 1, 2018, at 4:00 PM. Listed in the table below are the two bids submitted by the deadline for the Property.

	BIDDER	BID AMOUNT
1	City of San José	\$221,050
2	Phuong Nguyen	\$ 15,000

Both bids were received prior to the deadline and prepared in accordance with the specified solicitation requirements. Successor Agency staff believes the high bid is at or exceeds the fair market value for the Property and recommends the Successor Agency Board approve the Purchase and Sale Agreement.

On March 22, 2018, the Oversight Board approved the sale of this Property. Successor Agency staff is requesting the same authorization from the Successor Agency Board. Pursuant to the Purchase and Sale Agreement, escrow is scheduled to close thirty (30) days after all approvals have been obtained to sell the Property.

EVALUATION AND FOLLOW-UP

This item does not require any follow-up from staff.

COORDINATION

This item was coordinated with the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

There is no City Commission input regarding these actions.

HONORABLE MAYOR, CITY COUNCIL AND SUCCESSOR AGENCY BOARD

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CEQA

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

/s/

RICHARD A. KEIT
Managing Director

For more information, contact Richard Keit, Managing Director, Successor Agency, at 408-795-1849.