

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH RODERICK F. MILLER AND DONNA R. MILLER FOR THE PURCHASE BY THE CITY OF APPROXIMATELY 1.1 ACRES (47,916 SQUARE FEET) OF LAND LOCATED AT THE NORTHEAST CORNER OF OLINDER COURT AND FELIPE AVENUE, IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 472-10-108, FOR A PRICE OF \$3,135,300, DELIVER A 1033 EXCHANGE LETTER TO SELLER, AND EXECUTE ALL OTHER DOCUMENTS NECESSARY TO EFFECTUATE THE TRANSFER TO THE CITY

WHEREAS, on November 6, 2018, San José voters passed Measure T—the Disaster Preparedness, Public Safety and Infrastructure Bond which authorized the City of San José (“City”) to issue up to \$650 million in general obligation bonds to fund public safety, emergency and disaster responses, infrastructure, and roads; and

WHEREAS, on November 27, 2018, the City Council unanimously approved a report titled *General Obligation Bond (Measure T-The Disaster Preparedness, Public Safety and Infrastructure Bond) Item 8.43*, which included Mayor Liccardo's recommendation to construct at least two new fire stations, including Fire Station 32; and

WHEREAS, City staff conducted an extensive search for suitable property in the Fire Station 32 service area; however, many of the properties available in this area were found to be too expensive for Measure T's allocated budget for Fire Station 32 site acquisition; and

WHEREAS, due to the low amount of suitable properties available in Fire Station 32's service area, and the high cost of those properties that are available, City staff began approaching off-market properties to identify additional opportunities for acquisition; and

WHEREAS, the property located at located at 1138 Olinder Court on the northeast corner of Olinder Court and Felipe Avenue, Assessor's Parcel Number 472-10-108, ("Property") was determined to be well located and of an appropriate size for the potential placement of Fire Station 32, and City staff subsequently contacted the owner with an original proposed purchase price of \$3,250,000; and

WHEREAS, while the owner has agreed in principle to sell the Property to the City, the Property has not been exposed to the market; and

WHEREAS, the City obtained an appraisal valuing the Property at \$2,810,000 in March 2020; however, based on staff analysis of recent comparable sales showing prices increasing in the industrial marketplace, City staff determined that the City's original offer of \$3,250,000 is a fair market value; and

WHEREAS, subsequent to the original offer, due diligence identified and characterized environmental contamination on site, which resulted in a discount of \$114,700 to account for remediation and mitigation costs; and

WHEREAS, the City desires to authorize the City Manager to negotiate and execute a purchase and sale agreement to acquire the Property for a purchase price of \$3,135,300;

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

The City Manager is hereby authorized to negotiate and execute a Purchase and Sale Agreement with Roderick F. Miller and Donna R. Miller for the purchase by the City of approximately 1.1 acres (47,916 square feet) of land located at the northeast corner of Olinder Court and Felipe Avenue, identified as Assessor's Parcel Number 472-10-108,

for a price of \$3,135,300, deliver a 1033 exchange letter to seller, and execute all other documents necessary to effectuate the transfer to the City.

ADOPTED this _____ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk