

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: REDEVELOPMENT AGENCY BOARD	FROM: HARRY S. MAVROGENES EXECUTIVE DIRECTOR
SUBJECT: SEE BELOW	DATE: MARCH 9, 2010

SUBJECT: EARLY DISTRIBUTION PACKET FOR THE MARCH 23, 2010, REDEVELOPMENT AGENCY BOARD MEETING

Attached is the Early Distribution Board Packet for the March 23, 2010, Redevelopment Agency Board Meeting. The staff report is for the acquisition of real property at 445 Old West Julian Street,

8.x Approval of a Purchase and Sale Agreement for 445 Old West Julian Street to allow for development of the Autumn Street Extension Project.

Recommendations:

- (a) Redevelopment Agency Board approval of a Purchase and Sale Agreement with Huntly L. Gordon and Donna L. Gordon, of the Huntly L. Gordon and Donna L. Gordon Revocable trust, dated October 8, 2008, and Carole J. Gober in the amount of \$1,000,000 plus related closing costs, for the acquisition of 445 Old West Julian Street to allow for development of the Autumn Street Extension Project.
- (b) Adoption of a resolution by the City Council authorizing the City Manager to accept the property and execute any and all related documents.

CEQA: Autumn Extension/Coleman Widening EIR, Resolution No. 74870.



HARRY S. MAVROGENES
Executive Director

Attachment

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: HONORABLE MAYOR, CITY COUNCIL, AND AGENCY BOARD	FROM: HARRY S. MAVROGENES DEBRA FIGONE
SUBJECT: SEE BELOW	DATE: MARCH 11, 2010

SUBJECT: REAL ESTATE PURCHASE AGREEMENT FOR ACQUISITION OF REAL PROPERTY AT 445 OLD WEST JULIAN STREET (APN 259-25-003)

RECOMMENDATIONS

It is recommended that the:

- (a) Redevelopment Agency Board approve a Purchase and Sale Agreement with Huntly L. Gordon and Donna L. Gordon, of the Huntly L. Gordon and Donna L. Gordon Revocable trust, dated October 8, 2008, and Carole J. Gober in the amount of \$1,011,000 plus related closing costs, for the acquisition of 445 Old West Julian Street to allow for development of the Autumn Street Extension Project.
- (b) City Council adopt a resolution authorizing the City Manager to accept the property and execute any and all related documents necessary to effectuate the purchase.

OUTCOME

Approval of the proposed acquisition will allow for development of the planned Autumn Street Extension Project.

BACKGROUND

The Agency has been tasked with completing the acquisitions and relocations required to secure the right-of-way necessary to enable construction of the Autumn Street extension. The extension is a portion of the larger Coleman/Autumn transportation corridor project. With completion of the Coleman improvements, current efforts are focused on "Segment 1" of the

Autumn Street extension, which runs between the Union Pacific railroad tracks and New Julian Street. The Agency will negotiate acquisitions, coordinate relocations and manage the construction process. The properties will ultimately be conveyed to the City as the City will own and maintain the new road.

Goals of the Coleman/Autumn transportation corridor project are to provide a safe, efficient and attractive route to Downtown San Jose from I880 and to facilitate economic development of the Diridon/Arena area. The adopted development plan for Downtown San Jose (Downtown Strategy Plan 2000) includes expansion of the Downtown core area westerly in the San Jose Diridon transit station area, near the HP Pavilion at San Jose. The plan identifies the Coleman/Autumn transportation corridor project as a high priority for facilitating development of the area. The specific features of the project include:

- Extending Autumn Street as a two/four-lane parkway, from Coleman Avenue to St. John Street, with an attractive frontage to the Guadalupe River Park.
- Upgrading Coleman Avenue to a six-lane boulevard with bike lanes, sidewalks and a landscaped median.

The Coleman/Autumn transportation corridor project is included in the regional transportation master plan, known as the Valley Transportation Plan 2030.

ANALYSIS

445 Old West Julian Street Property Information: (Site map attached)

Property Owners:	Huntly L. Gordon & Donna L. Gordon (50%) Carole J. Gober (50%)
Land Area:	Approximately 14,000 sq. ft.
Present Use:	Industrial Warehouse Building
Improvements:	4,000 s.f. concrete block building with paved and fenced yard.
Assessor's Parcel Number:	259-25-003
Purchase Price:	\$1,011,000

On June 1, 2009, the Agency sent the owners a "Notice of Decision to Appraise" letter. Hulberg & Associates, Inc., was retained by the Agency to perform an appraisal of the property. Hulberg & Associates valued the property at \$1,000,000 in its appraisal report dated August 27, 2009. An Offer to Purchase letter was presented to the property owners for the appraised amount on September 18, 2009.

After several months of negotiations with the owners the parties were able to mutually agree upon a purchase price of \$1,011,000. Due diligence, including environmental investigations, was completed in July/August 2009 pursuant to a right-of-entry agreement with the property owners.

The recommended acquisition would secure one of the parcels required for completion of Segment 1 of the Autumn Street extension.

EVALUATION AND FOLLOW-UP

There will be further property acquisitions and construction contracts for this street project in both the current Segment 1 efforts and subsequent segments.

PUBLIC OUTREACH/INTEREST

The proposed action meets Criterion 1 for added outreach efforts. This staff report was distributed and posted on the Agency's website and made available for public review in the Agency's public lobby area 14 days prior to the Agency's Board meeting.

- Criterion 1:** Requires Board action on the use of public funds equal to \$1 million or greater.
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach.

COORDINATION


This item has been coordinated with the Department of Transportation, General Services, the City Attorney's Office and the Agency's General Counsel.

FISCAL IMPACT

The \$1,011,000 purchase price, plus incidental transaction fees, is provided in the Agency's Adopted FY 2009-10 Capital Budget, Autumn Street Infrastructure Plan project line.

CEQA

Resolution No. 74870.


DEBRA FIGONE
City Manager


HARRY S. MAVROGENES
Executive Director

Attachment

445 Old W. Julian Street

