



Santa Clara Valley Water District

File No.: 16-0067

Agenda Date: 9/27/2016

Item No.: 3.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Resolution Declaring Two Parcels Located at Maple Avenue, San Martin, California (District 1) (APN 825-18-052 and APN 825-18-007), one Parcel at Murphy Avenue, Morgan Hill, California (District 1) (APN 825-16-062), and one Parcel at 110 Sunset Avenue, San Jose, California (District 6) (APN 481-21-055), as Surplus Land and no Longer Required for District Purposes, District Real Estate Files 9296-4.1, 5.1, 6.1 and 4026-131.1.

RECOMMENDATION:

- A. Adopt a Resolution TO DECLARE TWO PARCELS LOCATED AT MAPLE AVENUE, SAN MARTIN, CALIFORNIA (DISTRICT 1) (APN 825-18-052 AND APN 825-18-007), AND ONE PARCEL AT MURPHY AVENUE, MORGAN HILL, CALIFORNIA (DISTRICT 1) (APN 825-16-062), AND 110 SUNSET AVENUE, SAN JOSE, CALIFORNIA (DISTRICT 6) (APN 481-21-055) AS SURPLUS LAND AND NO LONGER REQUIRED FOR DISTRICT PURPOSES; and
- B. Authorize the Interim Chief Executive Officer to proceed with the sale and disposition of four surplus properties identified in Attachments 2 and 3, and more particularly described in Exhibits A and B of the aforementioned Resolution, in accordance with applicable California Government Code Sections 54220 et seq., and the requirements of law governing the sale of real property by counties.

SUMMARY:

On May 12, 2015, the Board of Directors considered and adopted options to reduce the FY 2015/2016 groundwater production charge increases during the budget hearings. Several options and actions were identified and approved by the Board to help reduce the impacts of maximum proposed groundwater production charge increases. One of the strategic options identified was to leverage District resources by selling surplus properties. As a result of this directive, District staff has identified four properties described below that are not needed for any future District projects, and staff is recommending that the four properties be declared surplus. Please note that the District is reserving 2,800 square feet of easement from the parcel located at Murphy Avenue, Morgan Hill, California (APN 825-16-062) for ingress, egress, operation, maintenance, and improvement of wells and appurtenances. The 2,800 square feet of easement will not be declared surplus and is not intended for disposition and sale.

FINANCIAL IMPACT:

Proceeds from the sale of the Maple Avenue and Murphy Avenue properties will result in potential financial gain to the Water Utility fund that could be used to offset the FY 17 groundwater production charge increase. Proceeds from the sale of the Sunset Avenue property will be credited to the Watershed Stream Stewardship Fund (12) and transferred to the Water Utility fund to offset the FY 17 groundwater production charge increase. In the event that the Sunset Avenue property is sold, the District will no longer receive the monthly rental income of \$2000/month.

110 Sunset Avenue, San Jose - APN 481-21-055

This property is an asset that is no longer needed by the District for District purposes. The District purchased this 6,750 square foot lot improved with a 4 bedroom, 2 bath residential house in 2004. This property was purchased in order to use a portion of the property for the Lower Silver Creek Project. After using that portion, a house located on the property was able to remain and has been rented; the property is currently rented for \$2,000 per month. The remaining portion of the property, approximately 5,025 square feet that was not used for the Lower Silver Creek Project is no longer needed for a current or future project.

Maple Avenue, San Martin - APN 825-18-052 and APN 825-18-007, and Murphy Avenue, Morgan Hill - APN 825-16-062

These properties are assets that are no longer needed by the District for District purposes. In 1984, the District purchased this 37 acre site that is spread over two separate large parcels for planned use as a percolation pond. Unfortunately, soil conditions proved to not be ideal for a percolation pond project. Except for 2,800 square feet of easement expressly reserved from the parcel located at Murphy Avenue, Morgan Hill, California (APN 825-16-062), District staff recommends that these properties be declared surplus because there is no current or future District purpose identified for this property. The properties are located along Maple Avenue starting at the corner of Murphy Avenue in Morgan Hill and are currently zoned Rural Residential. The land is vacant, level and is adjacent to rural residential properties.

AUTHORITY:

This item is presented to the Board of Directors (Board) in accordance with Section 31 of the District Act, California Government Code Section 54220 et seq., and Board Executive Limitations Policy 6.7. Since there are no enumerated executive limitation policies or provisions of the District Act applicable to the declaration and disposition of surplus property, the Board shall be governed in the disposition of real property by the requirements of law governing that action by counties. The state surplus land provisions set forth in California Government Code Section 54220 et seq., describe the process for disposing of surplus land that the District must follow. If upon fulfillment of these requirements, the District surplus property remains unsold, the property may be disposed of pursuant to the law governing that action by counties.

NEXT STEPS:

Approval of the recommended action satisfies the first step in the surplus land disposition process as prescribed by the Government Code. Following Board adoption of the proposed resolution, a written notice will be sent to affordable housing entities and other public entities offering the Property for sale. In accordance with this step, an additional option with these properties may also offer a potential solution for current issues being considered by the Homeless Encampment Ad Hoc Committee. The entity desiring to purchase the surplus land for any of the purposes authorized by California Government Code Section 54222 shall notify in writing the District of its intent to purchase the land within 60 days after receipt of the District's notification of intent to sell the land.

If the District does not receive an offer from one these entities, or if the District does not agree with the terms of an offer after good faith negotiations, then the District may sell or lease the property under separate provisions of the Government Code. Any potential agreement reached regarding the disposition of the property would be brought back to the Board for its future consideration.

Following the Board's adoption of the proposed resolution, the District will begin preparation of appraisals and will conduct Hazardous Substance Liability Assessments (HSLAs) to ensure compliance with the applicable District Quality and Environmental Management System policies.

CEQA:

The Sale of Surplus Government property is Categorically Exempt under California Environmental Quality Act (CEQA) Guidelines- Section 15312.

ATTACHMENTS:

Attachment 1: Resolution

Attachment 2: Location Map: Maple Ave., San Martin & Murphy Ave., Morgan Hill

Attachment 3: Location Map: 110 Sunset Ave., San Jose

UNCLASSIFIED MANAGER:

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