



# Santa Clara Valley Water District

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**File No.:** 18-0911

**Agenda Date:** 1/8/2019

**Item No.:** 3.2.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Resolution Authorizing the Exchange of Real Property Interests with Silicon Valley Club, LLC at Assessor Parcel Nos. 015-45-013 and 015-45-024, Real Estate File Nos. 3015-503.1, 3015-55.4 and 3015-684 (San Jose) (District 3).

### **RECOMMENDATION:**

- A. Adopt the resolution AUTHORIZING EXCHANGE OF REAL PROPERTY RIGHTS WITH SILICON VALLEY CLUB, LLC ADJACENT TO GUADALUPE RIVER, ASSESSOR PARCEL NOS. 015-45-013 and 015-45-024, REAL ESTATE FILE NOS. 3015-503.1, 3015-55.4 and 3015-684;
- B. Authorize the Chief Executive Officer(CEO) to execute the Santa Clara Water District Real Property Exchange Agreement for District Real Estate File Nos. 3015-503.1, 3015-55.4 and 3015-684;
- C. Authorize the CEO to accept the Easement Deed from Silicon Valley Club, LLC, District Real Estate File No. 3015-684; and
- D. Authorize the CEO to execute the Quitclaim Deed to Silicon Valley Club, LLC, District Real Estate File Nos. 3015-503.1 and 3015-55.4.

### **SUMMARY:**

Silicon Valley Club, LLC, a Delaware limited liability company (Developer), owns fee title to property in the neighborhood of Alviso, City of San Jose, Assessor Parcel Numbers 015-45-013 and 015-45-024 (Subject Property) that they are in the process of developing with a hotel. The Santa Clara Valley Water District (District) currently possesses easement rights on, over, under and upon portions of the Subject Property for ingress-egress and for construction, operation, and maintenance of environmental improvements (Attachment 1).

As part of development of the site, the Developer has requested to re-align the existing District easements along the northerly portion of the Subject Property adjacent to the Guadalupe River. The new easement (Attachment 5) would be more uniform in width, would add a contiguous area that is currently excluded from the existing easement, and would better align with the intended use of the site. In exchange for realigned easement, the District would quitclaim (Attachment 4) the existing easement along the Guadalupe River and a small ingress/egress easement that does not provide benefit to the District. The Developer is willing to convey 66,872 square feet (SF) to the District and in exchange the District is willing to convey 66,864 SF of the existing easements to the Developer.

Section 31 of the District Act states, in part, "The board may by a majority vote exchange real property of equal value with any person, firm, or corporation for the purpose of removing defects in the title to real property owned by the district or where the real property to be exchanged is not required for district use and the property to be acquired is required for district use." This proposed exchange of real property meets this criterion because portions of the existing District easement along the Guadalupe River and a small ingress/egress easement which do not provide benefit to the District will be exchanged for the new easement offered by the Developer that adds a contiguous area resulting in a more uniform and useful easement width.

**FINANCIAL IMPACT:**

This real property transaction is an exchange of land of approximately the same size (new District easement will be slightly larger than the existing easement) and in approximately the same location; and therefore, assumed to be of the equal value. District staff time spent to prepare and process this exchange will be invoiced to the Developer.

**CEQA:**

This project qualifies for a Categorical Exemption under Environmental Quality Act (CEQA) Guidelines Section 15301 (b) Existing Facilities, Class 1.

**ATTACHMENTS:**

- Attachment 1: Location Map
- Attachment 2: Resolution
- Attachment 3: Exchange Agreement
- Attachment 4: Quitclaim Deed
- Attachment 5: Easement Deed

**UNCLASSIFIED MANAGER:**

Melanie Richardson, 408-630-2035