Santa Clara Valley Water District

File No.: 18-0808

Agenda Date: 10/9/2018
Item No.: 3.3.

BOARD AGENDA MEMORANDUM

SUBJECT:
Conveyance of District Lands by Quitclaim Deed to Michael G. Akatiff and Christy D. Akatiff, Trustees of the Michael G. Akatiff and Christy D. Akatiff Revocable Trust, or Their Successors in Interest. APN 259-25-054; Real Estate File No. 3015-386.4 (San Jose) (District 2).

RECOMMENDATION:

A. Adopt a Resolution AUTHORIZING CONVEYANCE OF DISTRICT LANDS COMMONLY KNOWN AS ASSESSOR'S PARCEL NO. 259-25-054 BY QUITCLAIM DEED TO MICHAEL G. AKATIFF AND CHRISTY D. AKATIFF, TRUSTEES OF THE MICHAEL G. AKATIFF AND CHRISTY D. AKATIFF REVOCABLE TRUST, OR THEIR SUCCESSORS IN INTEREST;

B. Approve the Santa Clara Valley Water District Real Property Purchase and Sale Agreement Real Estate File No. 3015-386.4 and authorize the Chief Executive Officer to execute said agreement; and

C. Authorize the Chief Executive Officer to execute Quitclaim Deed 3015-386.4.

SUMMARY:

BACKGROUND: Assessor's Parcel Number 259-25-054 (Property) (Attachment 4), containing approximately 3,400 square feet, was acquired in 1998 by the Santa Clara Valley Water District (SCVWD) along with other lands from Michael G. Akatiff and Christy D. Akatiff, Trustees of the Michael G. Akatiff and Christy D. Akatiff Revocable Trust (Akatiff) for the Guadalupe River Downtown Flood Protection Project. SCVWD acquired fee title to a total of 14,579 square feet and a temporary construction easement over an additional 8,741 square feet of real property for a total price of $572,600.00, including $230,000.00 in severance damages.

SCVWD acquired the Property to facilitate a proposed raising of an existing UPRR bridge across the Guadalupe River to accommodate the flood protection project. In the end, UPRR decided not to allow the construction of retaining walls to support track ballast material for the raised track profile. However, design changes and construction of the UPRR replacement bridge resulted in a less than anticipated elevation of the rail line. The slope easement was neither requested nor required by UPRR after construction of the replacement bridge, leaving a very small remnant parcel. The District

has no further project need for the Property and, in accordance with Section 31 of the District Act, the land may be sold to the prior owner or the successor in interest to the prior owner. Akatiff is the prior owner.

PROPOSED TRANSACTION: Recently, a representative of Akatiff approached the District inquiring about the possibility of acquiring the Property. Akatiff intends to use the Property as part of the development of Akatiff's adjacent lands. After reviewing the benefits of quitclaiming the Property and the risks and liability of continuing ownership, District staff proposes that negotiating a sale of the Property to Akatiff, as provided in the District Act, is in the best interest of the District.

FINANCIAL IMPACT:

The District Act provides that a sale to a prior owner should be for fair market value. The representative of Akatiff provided the District with an appraisal (Attachment 5) prepared by A.G.I. Valuation with a valuation date of June 26, 2018. While the stated value of the Property in the appraisal is $8,000.00, there are substantial offsets that are not acceptable to the District. After further negotiations, the parties agreed on a sale price of $56,000.00. At the time that the District acquired the Property, the District applied to the Department of Water Resources Flood Control Subventions Program (DWR) for reimbursement of 70% of the qualifying cost of acquisition. The reimbursement of $307,129.94 was received on May 22, 2000. If the sale of the Property is approved, DWR will be entitled to receive 70% of the sale price. DWR has been contacted and has reviewed and approved the price that the District anticipates receiving from Akatiff. The reimbursement to DWR is anticipated to be $39,200.00. Net proceeds to the District are anticipated to be $16,800.00.

CEQA:
This project qualifies for an exemption under CEQA Guidelines §15312 Surplus Government Property Sales. The project consists of the sale of excess land.

ATTACHMENTS:
Attachment 1: Resolution
Attachment 2: Purchase and Sale Agreement
Attachment 3: Quitclaim Deed
Attachment 4: Map
Attachment 5: Appraisal

UNCLASSIFIED MANAGER:
Melanie Richardson, 408 630-2035