



Santa Clara Valley Water District

File No.: 19-0184

Agenda Date: 2/26/2019

Item No.: 6.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Sale of District-Owned Residential Surplus Property located at 110 Sunset Avenue, San Jose, (Assessor's Parcel Number 481-21-055) (District Real Estate File 4026-131.1) (District 6) (San Jose).

RECOMMENDATION:

- A. Approve the sale of District residential surplus property located at 110 Sunset Avenue, San Jose (APN 481-21-055) to M. A. Omer of Transmetro SF LLC, the bidder submitting the second-highest bid in the amount of \$660,000; and
- B. Authorize the Chief Executive Officer, or her designee to execute the Real Property Purchase and Sale Agreement, Quitclaim Deed, and all related documents necessary to close escrow with M. A. Omer of Transmetro SF LLC.

SUMMARY:

On September 27, 2016, the Board adopted Resolution No.16-71 (Attachment 1) declaring several District parcels surplus property including 110 Sunset Avenue in San Jose.

On June 20, 2018, District staff conducted a public oral auction of the subject property. There were five (5) registered bidders in attendance. The minimum bid was established at \$600,000. Oral bids were received and the highest bid submitted by Mr. Jasraj Bhatia was \$665,000.

On August 28, 2018, the Board approved the sale of the subject property to Mr. Jasraj Bhatia and authorized the Chief Executive Officer, or her designee, to execute the Purchase and Sale Agreement (PSA) and quitclaim deed.

In response to Mr. Bhatia's request to extend escrow, on November 30, 2018, the District granted a 45-day extension to close escrow on January 15, 2019. Subsequently on January 11, 2019, the District received a request from Mr. Bhatia's attorney to terminate the Purchase and Sale Agreement because Mr. Bhatia could not secure a Small Business Administration loan due to the federal government shutdown. On January 15, 2019, the escrow period closed and Buyer failed to satisfy its obligations as set forth in the PSA. As a result, the Buyer's rights to purchase the Property were terminated, and neither party had any further rights or obligations under the PSA.

District staff then offered to sell the subject property to the second highest bidder, M. A. Omer of

Transmetro SF LLC. On February 5, 2019, Transmetro SF LLC confirmed their interest in acquiring the District property and demonstrated their ability to acquire the District property by submitting the \$60,000 purchase deposit.

Staff recommends that the Board approve the sale of the subject property to M. A. Omer of Transmetro SF LLC in the amount of \$660,000, and authorize the Chief Executive Officer, or her designee, to execute the attached PSA and Quitclaim Deed for the subject property (Attachments 2 and 3).

The property is depicted on a Location Map (Attachment 4).

Secretary of State information for this LLC is included as Attachment 5.

FINANCIAL IMPACT:

Proceeds from the sale of the Sunset Avenue property will be booked to Fund 12.

CEQA:

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

ATTACHMENTS:

- Attachment 1: SCVWD Resolution No. 16-71
- Attachment 2: Purchase and Sale Agreement
- Attachment 3: Quitclaim Deed 4026-131.1
- Attachment 4: Location Map: Sunset Avenue
- Attachment 5: Secretary of State Statement of Information

UNCLASSIFIED MANAGER:

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