



City Council

Action on a Resolution of Necessity Making the Required Findings to Acquire Certain Real Property Interests on 3800 Bassett Street for Purposes of Implementing the Silicon Valley Power 115kV Transmission Line Project

Agenda Item No. 9 (#25-525)
June 24th, 2025

1

Background

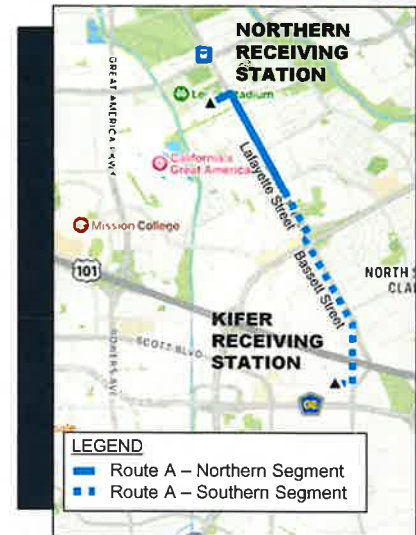
- **115kV Project Scope:** Construct a new 115kV overhead transmission line of approximately 2.24 miles between Northern Receiving Station (NRS) and Kifer Receiving Station (KRS) along Lafayette Street, Bassett Street, and Duane Avenue
- **Project Justification:** Needed to accommodate approved and under construction load growth and reliability
 - Transfer additional power from new CAISO/230kV line (at NRS) and redistribute loads
 - Increases System Operating Limit & System Reliability
 - With 115 kV line ~ capacity 1300 MW
 - Without 115 kV line ~ capacity 819MW
- **Project Progress:** 60% design completed



2

Council Actions

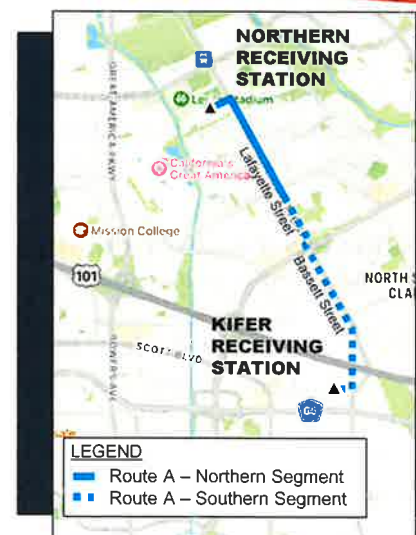
- March 19, 2024 – Informational Report Regarding Route Analysis for 115kV Transmission Line from NRS to KRS (RTC #24-1614)
- October 8, 2024 – Action on a MND, MMRP and Route Approval for 115kV Transmission Line from NRS to KRS (RTC #24-751 – CONTINUED)
- November 12, 2024 – Action on a MND, MMRP and Route Approval for 115kV Transmission Line from NRS to KRS (continued from Oct. 8, 2024) (RTC #24-1040)
- February 25, 2025 – Authority to Execute PSA for Easement Acquisitions (RTC #25-212)
- Multiple actions for easement acquisition
- 20 parcels require easements



3

Project Approval/Alignment

- On November 12, 2024, City Council approved the MND for the Project and selected Route A based on the following:
 - Overall feasibility,
 - Least impact to residents and businesses, permitting constraints,
 - Ability to meet the schedule, flexibility in power delivery,
 - Ease of maintaining the system, and
 - Reduced construction disruption to the public as compared to the other alternatives
- **Route A requires easements from 20 parcels along the Southern segment**



4


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Easement Acquisition Process

- ✓ Send letter to property owner that City will appraise the Easement Area
- ✓ Complete Fair Market Value (FMV) appraisal
- ✓ Send initial offer of just compensation to property owner
- ✓ Negotiate with property owner (months)
- ✓ Obtain Council Authority to Execute Purchase and Sale Agreement's for easement acquisitions
- ✓ Continue to negotiate with property owners
- **When negotiations reach an impasse, Council may adopt Resolution of Necessity to authorize commencement of eminent domain process**
- Eminent domain process can take up to 24 months
- Pending final determination of value, City has rights to obtain an Order of Possession for the property and commence work (5 months into process)

5

5


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3800 Bassett Street (PID#5)

Subject Property/Easement Area

- Over 7 months of ongoing negotiations
 - Initial Offer sent November 13, 2024
 - Owner concerned about the operation of their business and the need for crane access despite a 60kV transmission line already existing along the property frontage.
 - On February 14, 2025, the Owner provided a letter rejecting the offer.
- In order to meet Project timing/implementation requirements, now necessary to consider commencement of eminent domain proceedings



6

6



Required Steps

1. Offer made to the property owner of record based on an appraisal (Government Code Section 7267.2)
2. Engage in good faith negotiations
3. If impasse reached, schedule a hearing on a "Resolution of Necessity" with a minimum of 15 days notice to the property owner (Code of Civil Procedure Section 1245.235)
4. Conduct the public hearing, consider all testimony presented and adopt a Resolution of Necessity (RON) making all required findings

Note: the RON hearing only establishes the matters set forth in the findings. The issue of just compensation for the taking will be resolved by a jury or by settlement in the eminent domain action.

7

7



Resolution of Necessity Findings

1. The public interest and necessity require the Project

- The completion of the 115kV Project is one of the key projects that are needed to increase SVP's system capacity to approximately 1300 MW. Until the Project is completed, SVP's system capacity will be limited to 819 MW which is insufficient to meet projected electric loads within the City.

2. The Project is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury

- The SVP evaluation team conducted a comprehensive analysis, employing various methodologies such as potholing and Ground Penetrating Radar (GPR) surveys. This in-depth assessment took into consideration SVP's load growth and system planning projections, schedule, cost estimation, required easements and permits, and engineering judgment. The goal was to determine feasible route alignments, identify a preferred route, and explore potential overhead and underground options within the preferred route. The Project route was selected based on its overall feasibility, least impact to residents and businesses, permitting constraints, ability to meet the schedule, flexibility in power delivery, ease of maintaining the system, and reduced construction disruption to the public.

8

8



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Resolution of Necessity Findings

- 3. The Easement Area sought to be acquired is necessary for the Project**
 - The Electric Overhead Easement on 3800 Bassett St. is necessary to achieve the technical needs of the Project as it is within the alignment of the selected route. Mostly, the route will be built within the public right-of-way; however, the Easement Area adjacent to the right-of-way is required for maintenance purposes and to ensure the proper electrical conductor clearances are met. The Easement Area also reflects the necessary clearances from the blow out or sway of the electrical conductors.
- 4. All environmental review required by law has been prepared and adopted**
 - The MND & MMRP were adopted by City Council on November 12, 2024, by Resolution No. 24-9386

9

9



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Resolution of Necessity Findings

- 5. The offer required by Section 7267.2 of the Government Code has been made to the owner of record for the full amount established as the fair market value of the property**
 - On November 13, 2024, the City made an offer to the owner of record to acquire the Easement Area for an electric overhead easement upon the value determined by an independent state licensed and certified appraiser in accordance with the above referenced Government Code section.
- 6. Notice of this hearing has been given in accordance with Code of Civil Procedure section 1245.235**
 - On June 5, 2023, a letter was mailed to the owner including notification of the public hearing and consideration of a Resolution of Necessity for 6/24/2025 and Request to be Heard documentation were also included as attachments to the letter.

10

10



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Recommended Action

- Consider all written and oral testimony presented at this public hearing.
- If satisfied that the information presented supports the required findings, Adopt the Resolution of Necessity in the form presented to Acquire the Easement of Interest Identified at 3800 Bassett Street, Santa Clara, California, Making the Required Findings

Notes:

- Five affirmative votes are required to approve the RON [California Code of Civil Procedure section 1245.245]
- Staff will continue to attempt to negotiate with the owner for the City's voluntary acquisition of the necessary easement interest

11

11



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12