

7/12/2022

item 7




City Council

Action on a Resolution of Necessity to Acquire Certain Real Property Interests on 2265 Lafayette Street

July 12, 2022

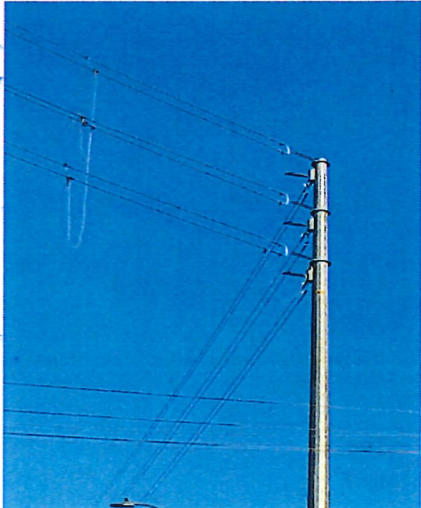
1



City of Santa Clara
The Center of What's Possible

New Transmission Line

- Scope: Install 11 new steel poles, replace 4 wooden poles and approx. 0.6 miles of new 60kV transmission line.
- Benefits – Increases Reliability and Capacity
 - Increases available transmission line facilities for future developments
 - Upon completion, the transmission line will provide service to the Memorex Junction Substation which is to be constructed as a part of the 1200 Memorex Development.
 - Four other potential developments have expressed interest in the area and would be eligible to connect to the new transmission line



2

POST MEETING MATERIAL

1



New Transmission Line (cont.)

Council Actions:

- April 14th 2021 - Approved a Funding Agreement with 1220 Santa Clara PropCo, LLC, Relating to City Pre-design Engineering Activities for the Memorex Junction Substation Project and Related Budget Amendment
- November 9th, 2021 - Action on the Adoption and Certification of an Environmental Impact Report; Adoption of a Mitigation Monitoring or Reporting Program; and Architectural Approval of a Data Center project located at 1200-1310 Memorex Drive
- March 22nd, 2022 - Delegated Authority to the Office of the City Manager to negotiate and execute the substation agreement for Silicon Valley Power with 1220 Santa Clara Propco, LLC for Memorex Junction Substation
- Multiple actions for easement acquisition
- 10 parcels require easements



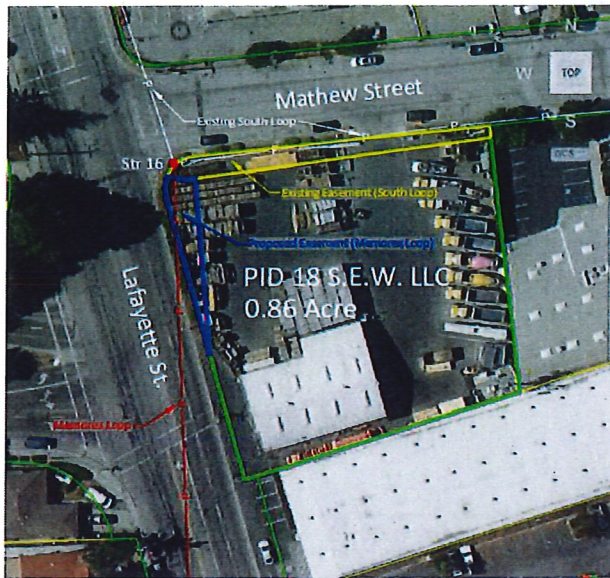
3



Steps for Acquisition

- Send letter to property owner that City will appraise value ✓
- Complete Fair Market Value (FMV) appraisal ✓
- Send initial offer of just compensation to property owner ✓
 - Allows for property owner to be reimbursed up to \$5,000 for second appraisal ✓
- Negotiate with Property Owner (months) ✓
- Property Owner/City negotiated agreements to Council ✓
- No agreement - Council consideration for Resolution of Necessity ✓
- **Continue to Negotiate with Property Owner**
- Eminent Domain process will take up to approximately 24 months
- City has rights to build project after receiving Order of Possession (7-8 months)



4



2265 Lafayette Street

- Initial Offer sent 12/14/2021
 - Six (6) months of ongoing negotiations
- Powerline Easement: 1,200 SF Easement
- Easement from South Loop Project for 2,239 SF easement was closed on 7/23/2021

Legend:

-  Powerline Easement
-  Existing South Loop Easement

5



Resolution of Necessity Findings

- The public interest and necessity require the Project.
 - This Project will support and facilitate development in the service area
- 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.
 - Staff considered multiple alternatives as part of the project
- The property sought to be acquired is necessary for the Project
 - The Electric Overhead Easement on 2265 Lafayette Street is necessary to achieve the technical needs of the Project.
- 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 December 14th, 2021 the City made an offer to SEW, LLC to acquire the Electric Overhead Easement upon the value determined by an independent state licensed and certified appraiser in accordance with the above referenced Government Code.

6



**City of
Santa Clara**
The Center of What's Possible

Recommended Action

Alternative 1: Adopt a Resolution of Necessity to Acquire Certain Real Property Interests on 2265 Lafayette Street, Santa Clara, California, from SEW, LLC.

7



City Council

**Action on a Resolution of
Necessity to Acquire Certain
Real Property Interests on
2265 Lafayette Street**

July 12, 2022

8