




City Council Meeting

Item #5. – 19-565: Action on Sale and Vacation of Fremont Street and Sherman Street Public Right-of-Way at 575 Benton Street


June 25, 2019



City of Santa Clara
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Background

- 07/17/18 – City Council approves 575 Benton Street
 - Prometheus Real Estate Group
 - 355 apartments, 22,073 sf retail, 2,080 sf commercial
 - Addendum #1 to EIR, Rezoning, Vesting Tentative Parcel Map, and Development Agreement
 - Approvals Included Sale of Fremont and Sherman





Fremont and Sherman Street Right of Way

- City owns fee title
- Utilities to be relocated
- Development Agreement conditions for vacation and sale
- Vacate Fremont Street and Sherman Street
- Reserve a Public Utility Easement



Process for Sale (Charter Sec. 714)

- Publish notice of intention to sell (**Complete**)
- Notice to describe property for sale, price offered for property, and time/place for sale to be consummated (**Complete**)
- At time specified, City Council to call for further bids (**Today's Action**)
 - Accept the highest bid (> 5% than Prometheus offer)
 - Order a new sale
 - Withdraw the property for sale (Council Approved Development Agreement Includes property Sale)



Purchase Price

- Approximately 1.3 acres
- Development Agreement Process (City and Developer Appraisals)
- Property Valuation (free and clear) - \$9.52 M (\$165/sf)
- Significant Utility Relocation Costs - \$8.6 M
- Prometheus Offer: Utility Relocation (\$8.6 M) + Cash (\$920k)



Staff Recommendation

1. Approve the sale of the public portions of Fremont Street and Sherman Street;
2. Authorize the City Manager to negotiate and execute any and all documents necessary to complete the transaction with the successful bidder;
3. Adopt the proposed Resolution ordering the vacation of portions of Fremont Street and Sherman Street with reservation of a Public Utility Easement;
4. Authorize the recordation thereof



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