



## Agenda Report

22-1155

Agenda Date: 11/1/2022

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### REPORT TO COUNCIL

#### **SUBJECT**

Real Estate and Morse Mansion Study Session

#### **COUNCIL PILLAR**

Enhance Community Engagement and Transparency

#### **BACKGROUND**

The City Clerk's Office received a Council Written Request on June 8, 2022 from Vice Mayor Jain requesting to place an agenda item at a future Council meeting to discuss potential uses, unfunded repairs, and finances (income and expenses) of operating and maintaining the Morse Mansion. The City purchased the Morse Mansion in 2016 for \$3,875,070. The Morse Mansion is on the National Register of Historic Places and the current lease expires in June 2024.

In the request, Vice Mayor Jain stated:

The City purchased the Morse Mansion in 2016 for \$3,875,070. The Morse Mansion lease expires in June 2024. The unfunded expected repairs to the Morse Mansion have been estimated to be \$8.32 million. Staff has allocated \$100K in the current budget for essential repairs. I believe there needs to be a discussion of the potential uses for the Morse Mansion well before June 2024 given that the refurbishment of this building could be even higher depending on use. So, I'm asking to agendize a discussion of potential uses, unfunded repairs and finances (income and expenses) of operating and maintaining the building.

At the August 16, 2022 Council meeting, the City Council directed staff to agendize a Council Item to discuss Morse Mansion within 60 days.

#### **DISCUSSION**

At the Study Session, staff will discuss with Council possible options and next steps for the Morse Mansion. In addition, staff will also provide an update on some of the City's current Real Estate priorities.

It is important to note that there has not been any community outreach completed. Robust community outreach will be part of the process, and staff will incorporate today's Council feedback as part of future meetings.

#### **FISCAL IMPACT**

There is no fiscal impact at this time, but future actions related to Morse Mansion will have financial impact.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is an administrative activity that will not result in direct or indirect physical changes to the environment.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any report to Council may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

Provide Feedback on Possible Future Options for Morse Mansion

Reviewed by: Manuel Pineda, Assistant City Manager

Approved by: Rajeev Batra, City Manager