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City and County Release Terms of a Compensation Agreement for the Sale of Five Former Redevelopment Properties near Diridon Station

Terms include agreed-upon purchase price for the properties

San Jose, Calif. – The City of San Jose and County of Santa Clara have reached a tentative agreement on terms of a Compensation Agreement that will help facilitate the sale of five former redevelopment properties near Diridon Station.

The properties include: 8 South Montgomery Street, 105 South Montgomery Street, 510 W. San Fernando Street/102 S. Montgomery Street, 150 South Montgomery Street, and 645 Park Avenue.

According to the terms of the compensation agreement, the properties would be sold for \$67 million, reflecting an average price of approximately \$237 per square foot. The price was determined based upon appraisals conducted by both the City and County. [Read the City staff report on the Compensation Agreement](#)

“This Compensation Agreement ensures that our taxpayers receive 2 ½ times what we originally paid for these properties and, just as importantly, it allows us to advance discussions about how we can create a vibrant, architecturally iconic, transit-focused village around Diridon Station,” said Mayor Sam Liccardo. “A proposed Google development in Downtown San Jose would generate millions in tax revenues for critical City services and can serve as a model for a more sustainable future. I look forward to engaging with our community in a robust discussion about how we can realize our shared ambitions for our city.”

Once approved by the City Council, County Board of Supervisors and twelve other taxing entities, the Compensation Agreement will allow for the properties to be transferred to the City of San Jose to facilitate development in the Diridon Station Area. In June 2017, the City of San Jose entered into an Exclusive Negotiating Agreement with Google over the potential sale of publicly-owned lands near Diridon Station, as Google explores a potential 6 million square foot mixed-use, transit-oriented office development.

While the compensation agreement serves as an early milestone, it represents just the first of many steps that must be taken in the months and years ahead in the exploration of a potential Google development in Downtown San Jose. In particular, the parties must still discuss and negotiate the terms of a purchase and sale agreement for all of the various publicly-owned properties Google is interested in purchasing. [Visit the City website to learn more about the established process](#)

“I want to thank the County and City staff and appraisers who worked diligently to determine a purchase price for these properties in a changing, complex real estate market,” said Dave Sykes, San Jose City Manager. “This is a critical first step toward eventually creating a phenomenal new destination at Diridon Station.”

The Compensation Agreement will be presented to the County Board of Supervisors and the San Jose City Council for approval on February 6 and 13, respectively. It is also scheduled to go to the Successor Agency Oversight Board for approval on February 22.

The City will also soon be launching its community engagement process, and on January 30, the City Council appointed 38 members to a Station Area Advisory Group to provide community input and feedback on Google development concepts.

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