



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
Nanci Klein

**SUBJECT: MEASURE T FIRE STATION
23 LAND ACQUISITION**

DATE: September 18, 2023

Approved

Date

9/19/23

INFORMATION

The purpose of this memorandum is to update the City Council on City staff's efforts to acquire a property suitable to relocate Fire Station 23.

BACKGROUND

Measure T, approved by voters in November 2018, provides for the issuance of \$650 million in general obligation bonds to fund various important infrastructure projects throughout the City, including \$175 million for the Public Safety Program.

The relocated Fire Station 23 is intended to replace the existing station located on Capitol Avenue at Via Cinco de Mayo. City staff anticipates acquiring a location further from the Milpitas border to improve coverage within City limits and better serve planned developments in North San José. Fire Station 23 is the fourth highest priority station as approved by the City Council in the June 18, 2019 memorandum Measure T – New Fire Station Placement Prioritization¹.

This relocation project was initially intended to be a co-development partnership with the Departments of Public Works and Housing, constructing both a fire station and an affordable housing complex on the shared lot. Due to the limited availability of funds to purchase the property in its entirety, City staff shifted the focus away from the shared use to solely focusing on property acquisition for a future fire station.

¹ <https://sanjose.legistar.com/View.ashx?M=F&ID=7296426&GUID=8097B35E-F3AA-441B-A951-9B6135862F50>

On March 14, 2023, the City Council approved a report titled Status Report on the November 2018 Ballot Measure T – The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond Item 3.5². The report included City staff’s recommendation of rescoping the Fire Station 23 project to focus on land acquisition only, using up to \$4.1 million for the purchase of land and associated expenses, and reallocating the remaining funding to cover the other critical public safety projects as needed.

Potential Site Selection

Efforts to find a suitable site has proven to be the most difficult task associated with this relocation project. Properties that provide suitable travel times to the station’s service area are limited and tend to be large parcels that are fully developed or slated for development. Due to the limited supply of suitable sites, staff worked with brokers to find off-market opportunities for site acquisition. City staff identified a potential site located at 1500 Lundy Avenue which fits the necessary parameters needed to comply with the Fire Department’s optimal travel time requirements. Previously, the City considered attempting to acquire the entire 1500 Lundy Avenue property for a project that would have included housing and a fire station. However, the City’s offer is for a portion of the parcel area, approximately 28,350 square feet, located at the southwest corner of Frost Drive and Vennum Drive. This area is unimproved with permanent structures. City staff have been actively negotiating with the property owners since the beginning of 2023. The latest offer package was sent on July 10, 2023, for the purchase price of \$3,360,000, based on a City-commissioned appraisal. The property owners have not yet accepted the offer, but have retained counsel and are in the process of having the property appraised, with an expected completion date of the end of October.

Next Steps

Negotiations are ongoing. Once the property owners receive an appraisal, City staff will meet with them to discuss the terms of a potential property acquisition. If funding resources are identified, City staff would start the design in June 2024 with a tentative contract award in 2027.

/s/
MATT LOESCH
Director, Public Works

/s/
NANCI KLEIN
Director, Economic Development
and Cultural Affairs

For questions, please contact Katherine Brown, Interim Assistant Director of Public Works, at (408) 795-1679, or Kevin Ice, Senior Manager of Real Estate Services, Office of Economic Development and Cultural Affairs, at (408) 535-8197.

²<https://sanjose.legistar.com/View.ashx?M=F&ID=11738576&GUID=66879752-3E11-49A0-8333-56C874716A49>