

RESOLUTION NO. 2005-11

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS APPROVING FOR SALE OR LEASE THE SURPLUS PROPERTY OWNED BY THE CITY OF LOS ALTOS, LOCATED AT FIRST AND MAIN STREET, LOS ALTOS, CALIFORNIA

WHEREAS, the City of Los Altos (“City”) owns the real property located at 400 Main Street (APN 167-39-056) and the real property located at 230 First Street (APN 167-39-146) Los Altos, California, also known as “First and Main” (hereinafter the “Property”); and

WHEREAS, the Property was purchased by the City in July 1996 (APN 167-39-056) and October 1995 (APN 167-39-146); and

WHEREAS, following a competitive and public evaluation process, the City Council selected a developer in June 2001 to develop a boutique hotel on the City owned property at the entrance to downtown Los Altos. The boutique hotel proposal included a small restaurant, meeting rooms and other ancillary uses and an underground parking garage.

WHEREAS, the procedure by which the City can dispose of surplus real property is provided by the California Government Code section 54200 *et seq.*; and

WHEREAS, pursuant to Government Code section 65402, on July 15, 2004, the Planning Commission for the City determined that the sale or lease of the Property was consistent with the City’s General Plan; and

WHEREAS, the current zoning of the Property and its existing physical limitations, including parcel size, configuration and the nature of adjacent land uses, preclude the use of the Property for enterprise purposes, school facilities or school district open space, transit oriented infill opportunity, park, recreation or open space purposes; and

WHEREAS, the City declared its intention to sell or lease the Property in Resolution 2005-09 and gave notice by publication and posting of the Property as required by law; and

WHEREAS, the City wishes to sell or lease the Property for development as a luxury, boutique hotel and to return any proceeds gained from the sale or lease of the Property to the general fund; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby finds and authorizes the following:

Section 1. The Property is declared to be surplus property.

Section 2. Pursuant to Government Code section 54222, on May 5, 2004, the City made offers to sell, at appraised value, or lease the Property for the purpose of developing low or moderate income housing to the following entities:

- (a) Alex Sanchez
Housing Authority of the County of Santa Clara
505 West Julian St.
San Jose, CA 95110

Section 3. Pursuant to Government Code section 54222, on May 5, 2004, the City made offers to sell, at appraised value, or lease the Property for the park and recreational or open space purposes to the following entities:

- (a) Craig Britton
Midpeninsula Regional Open Space District
330 Distel Circle
Los Altos, CA 94022
- (b) Secretary Mike Chrisman
State Resources Agency
1416 Ninth St., Suite 1311
Sacramento, CA 95814

Section 4. Pursuant to Government Code section 54222, on May 5, 2004, the City made offers to sell, at appraised value, or lease the Property for school facilities construction or open-space purposes to the following entities:

- (a) Margaret H. Gratiot
Los Altos School District
201 Covington Road
Los Altos, CA 94024

- (b) Rich Fischer
Mountain View - Los Altos Union High School District
1299 Bryant Ave.
Mountain View, CA 94040

Section 5. The City did not receive notification from any entity listed in Sections 2, 3 or 4 above, of its intent to purchase or lease the Property for low or moderate income housing, park and recreational or open space or school facilities construction purposes within 60 days from the date the entity received notice of the City's intent to sell or lease the Property.

Section 6. On or about October 12, 2004, the City solicited two separate appraisals for the Property to determine the fair market value of said Property.

Section 7. The City Clerk, pursuant to Government Code section 37423, gave notice of the time and place of the public hearing by publishing Resolution 2005-09 in a local newspaper, and by posting a copy of Resolution 2005-09 on the Property for not less than ten (10) days in at least three (3) conspicuous places on said Property.

Section 8. In accordance with Government Code section 37420 *et seq.*, on May 10, 2005, the City Council conducted a public hearing concerning its intention to sell or lease the Property.

Section 9. At said hearing the City Council considered its intention to sell or lease the Property. The City Council heard any and all protests in relation to the City's intention to sell or lease the Property, and considered and finally acted upon any written or oral protests and objections.

Section 10. Pursuant to Government Code section 37350, the City Council finds and determines that the sale or lease of the Property as a luxury, boutique hotel is in the City's interest and for the common benefit as follows:

- (a) The Property is no longer needed for the City's use.
- (b) The sale or lease of the Property as a luxury, boutique hotel is in the public interest and convenience because it will provide the following:
1. 75 midday public parking spaces
 2. The redevelopment of the downtown gateway site for such use is consistent with the City's Downtown Urban Design Plan and the General Plan
 3. It will provide Transient Occupancy Taxes to the City's general fund
 4. It will provide a pedestrian plaza to serve the citizens and visitors of the City
 5. City's transfer of the fee or leasehold interest in the property (which is currently exempt from property taxes by virtue of its public ownership) will generate property tax revenues, which can be used to fund essential City services.
- (c) The sale or lease of the Property will be at fair market value.

Section 11. The City may now offer the Property for sale or lease to the public for development as a luxury, boutique by competitive bid or negotiated sale. The sale or lease shall be at fair market value, as determined by the City's appraisals .

Section 12. Nothing in this Resolution shall require the City to sale or lease said Property.

I HEREBY CERTIFY that the forgoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a regular meeting thereof held on the 10th day of May, 2005, by the following role call vote:

AYES: COUNCILMEMBERS: COLE, MOSS, PACKARD, CASAS

NOES: COUNCILMEMBERS: LEAR

ABSENT: COUNCILMEMBERS: NONE

APPROVED:



David Casas, Mayor

ATTEST:



Susan Kitchens, City Clerk