



DATE: May 25, 2021

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Funding Close of Escrow – Plymouth Street Realignment Properties**

RECOMMENDATION

Acting in its capacity as the Board of Directors of the Shoreline Regional Park Community, transfer and appropriate \$40,000 from the Shoreline Regional Park Community Fund into the Acquisition of Real Property, Plymouth Street Realignment, Project 18-70.

BACKGROUND

The North Bayshore Precise Plan identified the realignment of Plymouth Street to connect directly with Space Park Way as a priority transportation improvement project. The project would improve traffic flow by eliminating one intersection on North Shoreline Boulevard and providing a single four-way signalized intersection for Plymouth Street and Space Park Way to connect to North Shoreline Boulevard.

On [February 13, 2018](#), the City Council approved the acquisition of real property to support the Plymouth Street realignment and authorized execution of all necessary documents, including a Purchase and Sale Agreement with specified terms. The property acquisition is shown in Figure 1 and includes:

- 1015 Joaquin Road – 10,775 square feet of land only;
- 1600 North Shoreline Boulevard – All of a 24,829 square foot property improved with a 17,100 square foot building;
- 1616 North Shoreline Boulevard – All of a 38,130 square foot property improved with a 10,866 square foot building; and
- 1674 North Shoreline Boulevard – 4,042 square feet of land only.

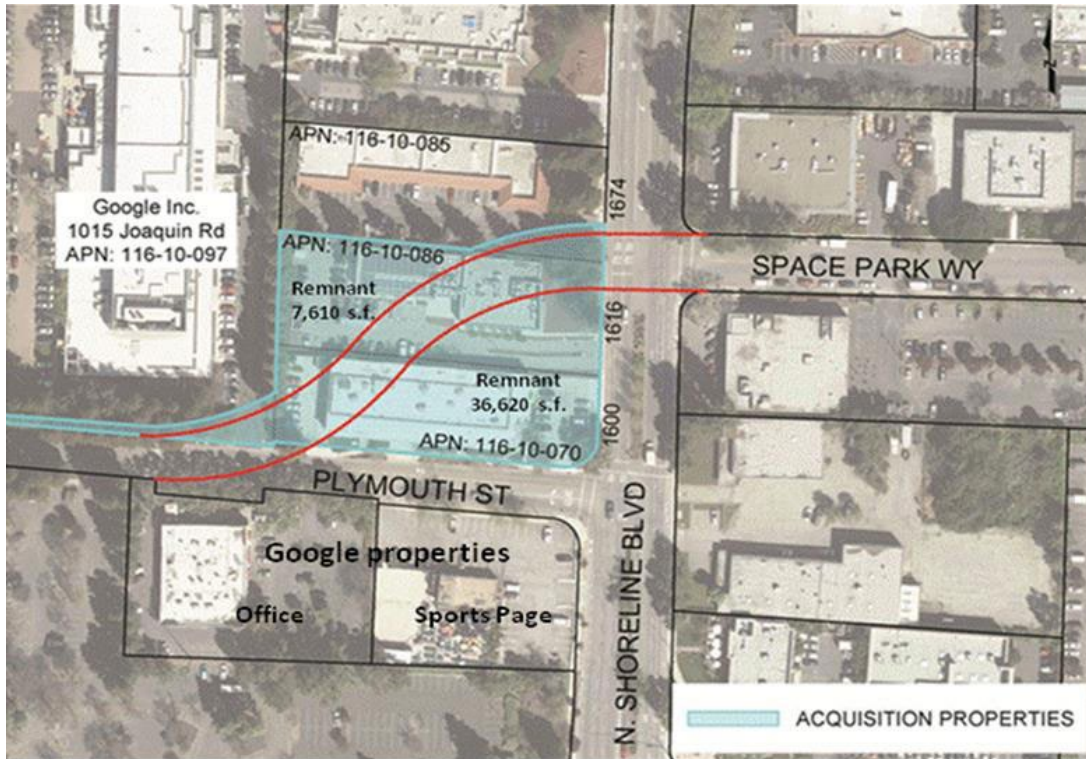


Figure 1: Plymouth Street Realignment Property Acquisition

Google LLC (Google) is the property owner of all four properties. In February 2018, the City executed a Purchase and Sale Agreement with Google, which included a provision that the close of escrow shall occur no later than six months after the issuance of a Certificate of Occupancy for the Charleston East Improvements or such other date agreed upon by the City and Google. Staff is preparing plans for the demolition of the buildings, which needs to occur prior to completing the final design and bidding of the Plymouth Street realignment project in fall 2021. In preparation for this work, the City and Google agreed to schedule escrow to close on June 8, 2021.

ANALYSIS

The original acquisition cost, including City fees and escrow, was estimated in the February 13, 2018 Council report at \$28.5 million. With the close of escrow approaching, updated preliminary closing costs were provided to the City. As shown in Table 1, they are estimated to be \$24,338 higher than the original estimate (see Table 1).

Table 1: Original and Updated Acquisition Costs

	Original	Revised	Difference
Purchase Price	\$28,247,200	\$28,247,200	-0-
Title and Escrow Fees	40,000	64,338	\$24,338
City Administration Fee	212,800	212,800	-0-
TOTAL PROJECT COST	<u>\$28,500,000</u>	<u>\$28,524,338</u>	<u>\$24,338</u>

The estimated closing costs include \$30,930 of prorated County property taxes paid by the property owner from June 11 to July 1, 2021. The City is exempt from property taxes and will be reimbursed by the County Tax Collector's office when the City requests cancellations of taxes after the close of escrow.

Staff is requesting an additional appropriation of \$40,000 to cover the increased Title and Escrow fees of \$24,338 and to provide an additional \$15,662 in case the final fees exceed the estimate.

FISCAL IMPACT

Acquisition of Real Property, Plymouth Street Realignment, Project 18-70, is funded with \$15,130,350 from Shoreline Regional Park Community Fund and \$13,369,650 from North Bayshore Impact Fees, for a total project budget of \$28,500,000. Staff is requesting an additional allocation of \$40,000 from the Shoreline Regional Park Community Fund to cover increased closing costs. This will be offset when the prorated County property taxes of approximately \$30,930 are reimbursed by the County Tax Collector's office after close of escrow. Any remaining funds after close of escrow will be returned to the Shoreline Regional Park Community Fund.

ALTERNATIVES

1. Do not authorize the expenditures requested.
2. Provide other direction to staff.

PUBLIC NOTICING – Agenda posting.

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