



COUNCIL REPORT

DATE: June 23, 2026

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Acquisition of Real Property at 909 and 917 San Rafael Avenue, Project 23-47— Various Actions**

RECOMMENDATION

1. Amend title of Acquisition of Real Property at 909 and 917 San Rafael Avenue, Project 23-47, to Acquisition and Related Site Preparation at 909, 917, and 939 San Rafael Avenue, Project 23-47, and add to the scope site preparation activities at 939 San Rafael Avenue.
2. Find that, in accordance with the California Environmental Quality Act (CEQA) requirements, Acquisition and Related Site Preparation at 909, 917, and 939 San Rafael Avenue (939 San Rafael Avenue Demolition), Project 23-47, is categorically exempt as Class 1, Existing Facilities, under CEQA Guidelines Sections 15301.
3. Approve plans and specifications for Acquisition and Related Site Preparation at 909, 917, and 939 San Rafael Avenue (939 San Rafael Avenue Demolition), Project 23-47, and authorize staff to advertise the project for bids.
4. Authorize the City Manager or designee to award a construction contract for 939 San Rafael Avenue demolition to the lowest responsive responsible bidder if the bid is within the estimated project costs for the demolition phase of Project 23-47, of \$735,000.

BACKGROUND

On [October 8, 2024](#), Council approved the acquisition of the property located at 939 San Rafael Avenue for park use, and the site was acquired on November 15, 2024. The property is located in the Terra Bella neighborhood, which is in the Stierlin Park Planning Area. This site is a 0.79-acre parcel adjacent to 909 and 917 San Rafael Avenue, where these two properties were acquired by the City in 2022, as approved by the City Council on [September 13, 2022](#) (see Figure 1).



Figure 1: Project Location

The three properties will be developed into a future 2.4-acre park site. The 909 San Rafael Avenue site is currently under lease. The structures at the 917 San Rafael Avenue site were demolished in late 2025 due to their dilapidated condition and possibility of trespassers accessing the buildings.

The existing site improvements at 939 San Rafael Avenue include an office building with restrooms, an existing water well for irrigation, an abandoned residential unit, and a detached garage that has been converted for commercial use. The site also includes a warehouse building, which contains office spaces and covered storage areas, PG&E electric and gas service connections, an asphalt concrete parking lot, and other miscellaneous structures.

ANALYSIS

Following the acquisition process of the 939 San Rafael Avenue property, similar to the 917 San Rafael Avenue site, staff identified the risk of trespassers accessing the buildings. Following the completion of the acquisition, and to safeguard the site, staff developed plans and specifications for the demolition of the buildings. This next phase will clear the 939 San Rafael Avenue property before the new park project begins and will discourage unauthorized occupancy prior to park project construction. The project scope is focused on the 939 San Rafael Avenue site and includes demolition of all buildings and structures to the existing slabs, removal of all site furnishings, removal of gas and electrical services, abandonment of other existing utilities, demolition of the on-site well, and hazardous materials abatement.

The original project title and scope for Project 23-47 identified the acquisition of the two properties of 909 and 917 San Rafael Avenue. As a subsequent component of the acquisition, site preparation activities, such as demolition of existing structures, are commonly included to deter the risk of unauthorized occupancy. This was the case with the 917 San Rafael Avenue property, and the site structures were demolished via Project 23-47. Staff recommends this same approach for the demolition of the structures at the 939 San Rafael Avenue site, and this demolition be part of Project 23-47. As the original scope of Project 23-47 did not include the 939 San Rafael Avenue property, Council authorization is needed to revise the title and scope of Project 23-47 to include the 939 San Rafael Avenue site and related site preparation, including demolition activities.

The plans and specifications for the 939 San Rafael Avenue demolition phase are expected to be completed in summer 2026. If Council approves the recommended actions, and a responsive bid is received, demolition construction is expected to begin in late 2026 and be completed by spring 2027. The park development process for the entire park site will be initiated in fall 2026 with consultant selection anticipated to be completed by December 2026.

Environmental Clearance

In accordance with CEQA, staff has reviewed the scope of this project and determined that it meets the classification for categorically exempt as Class 1, Existing Facilities, pursuant to Article 19, Section 15301(i) as it consists of demolition of existing small structures and buildings, capping and disconnecting utilities, and abandonment of an existing well. Staff recommends that Council make findings that, in accordance with CEQA requirements, the project is categorically exempt as Class 1, Existing Facilities, under CEQA Guidelines (Title 14, Division 6, Chapter 3, Article 19 of the California Code of Regulations) Section 15301(i).

FISCAL IMPACT

Acquisition and Related Site Preparation at 909, 917, and 939 San Rafael Avenue, Project 23-47, is funded with \$20,400,000 from the Park Land Dedication Fund. In 2022, Council approved the purchase of 909 and 917 San Rafael for \$10.25 million and \$8.5 million, respectively. In 2025, contracts to demolish buildings and close a well on 917 San Rafael were executed for approximately \$114,000. These expenditures, along with other related real estate, security, and property management expenses, left approximately \$800,000 in funds available for the demolition phase of this project for 939 San Rafael Avenue.

The estimated project costs for the demolition phase of 939 San Rafael Avenue are as follows:

Table 1: Estimated Project Costs (Demolition)

Construction (w/ contingency)	\$370,000
Project Management	\$50,000
Consultant Services	\$155,500
Construction Inspection & Testing	\$50,000
Permits and Miscellaneous	\$10,000
Project Contingency	<u>99,500</u>
TOTAL ESTIMATED COST	<u>\$735,000</u>

There is sufficient funding in the project budget for the recommended actions; no additional appropriation is requested at this time.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more

information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

Competitively bid contract

ALTERNATIVES

1. Do not make environmental findings, do not approve plans and specifications, and direct staff to defer the project.
2. Provide other direction.

PUBLIC NOTICING - Agenda posting.

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