

County of Santa Clara
Facilities and Fleet Department



24-5566

DATE: May 7, 2024 (Item No. {{item.number}})

TO: Board of Supervisors

FROM: Jeff Draper, Director, Facilities and Fleet Department

SUBJECT: Resolution to Acquire a Ten Percent Undivided Interest at 95 South Market Street

RECOMMENDED ACTION

Public Hearing to consider approval to purchase a ten percent undivided interest in real property located at 95 South Market Street, San Jose, California from O'Connor Hospital Liquidation. California Environmental Quality Act (CEQA): Exempt from CEQA pursuant to Sections 15315 and 15325 of the CEQA Guidelines. (Facilities and Fleet Department) (LA-1)

Possible action:

- a. Open public hearing and receive testimony
- b. Close public hearing.
- c. Adopt Resolution to consummate the purchase of a ten percent undivided interest in real property located at 95 South Market Street, San Jose, Assessor's Parcel No. 259-40-084, making related findings and delegating authority to the County Executive, or designee, to negotiate, amend and execute all documents and agreements necessary to consummate the purchase. Delegation of authority shall expire on December 31, 2024.

FISCAL IMPLICATIONS

There are no General Fund implications associated with the acquisition of the 10% undivided interest at 95 South Market Street, in the City of San José, County of Santa Clara, State of California, APN: 259-40-084 (Property) because the consideration being included in the purchase price previously paid by the County for the assets of O'Connor Hospital (OCH). Funds for the closing costs will be drawn from the Facilities and Fleet Department (FAF) Budget.

REASONS FOR RECOMMENDATION AND BACKGROUND

Approval of the recommended action is necessary for the Board of Supervisors (Board) to consider acceptance of the 10% undivided interest in the Property from OCH Liquidation who acquired its interest as OCH, a California nonprofit public benefit corporation, pursuant to that certain Asset Purchase Agreement by and among Verity Health System of California,

Inc, Verity Holding, LLC, OCH, Saint Louise Regional Hospital and the County, dated October 1, 2018, (Verity) to serve a public purpose. Acquisition of the Property will not result in a change of use and a purchase would, therefore, qualify as categorically exempt under the CEQA Section 15301 Guidelines.

On March 26, 2024, Item No. 65, the Board approved issuing a notice to the public of the County's intent to purchase a 10% undivided interest in the Property in accordance with California Government Code Sections 25350 and 6063.

Reasons for Delegation of Authority

Although delegations of authority are discouraged except under certain circumstances, this delegation of authority is necessary to allow Administration for timely transaction, following review and approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Closing a real estate transaction requires rapid turnaround of real estate documents on short notice and review of real estate legal matters. County Counsel will undertake such reviews and assist staff in evaluating final legal issues prior to closing.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION

The County would not acquire the property.

STEPS FOLLOWING APPROVAL

The Clerk of the Board will send notification and a copy of the adopted Resolution to Kimberly Kernan in the Office of the County Counsel, and Qais Sediqi and Andy Walker of FAF.

ATTACHMENTS:

- Resolution 95 S Market Street