

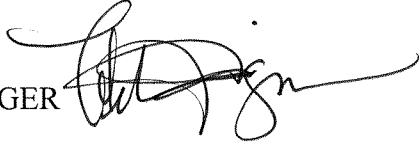


MEETING DATE: 3/19/07  
MANAGER MATTERS 14

## COUNCIL AGENDA REPORT

DATE: March 16, 2007

TO: MAYOR AND TOWN COUNCIL

FROM: DEBRA J. FIGONE, TOWN MANAGER 

SUBJECT: STATUS OF THE DUE DILIGENCE PROCESS FOR THE PURCHASE OF  
THE VERIZON BUILDING LOCATED AT 15900 LOS GATOS  
BOULEVARD


### INTRODUCTION:

Council met in closed session on February 5, 2007 and again on February 12, 2007, to discuss an offer to purchase an office building owned by Verizon and located at 15900 Los Gatos Boulevard. Council directed that a report be made in open session regarding the potential purchase and related due diligence process. As discussed more fully below, Verizon has accepted the Town's offer to purchase the property for \$3.2 million, subject to a 60-day due diligence period for the Town to determine the feasibility of using the site to house some or all Town police services.

### BACKGROUND:

The subject property is located on the east side of Los Gatos Boulevard, roughly 600 feet north of Blossom Hill Road. The site is directly north of the Cornerstone Shopping Center. The site is currently owned by Verizon and contains a building that houses office space and a telephone switching facility.

Verizon obtained approvals from the Planning Commission on December 13, 2006 to demolish a portion of the existing building to create two separate buildings and to subdivide the property into two parcels (see Attachment 1). Verizon is selling a 1.09 acre parcel that will contain an 8600 square foot office building after demolition. Verizon is currently preparing the site and building for sale and is in the process of recording the parcel map to implement the subdivision of the site.

PREPARED BY: BUD N. LORTZ,   
Director of Community Development

Reviewed by: PS Assistant Town Manager OK Town Attorney  
\_\_\_\_ Clerk Administrator \_\_\_\_ Finance ☒ Community Development

*March 16, 2007*

DUE DILIGENCE ISSUES:

The Town is evaluating the site for the purpose of using the building for a Police facility. The Town has not determined whether to proceed with the purchase of the property. Under the terms of the Town's offer, it has a 60-day due diligence period to evaluate the property and determine whether to proceed with the purchase. The following will be evaluated:

1. Neighborhood reaction to the possible relocation of some or all police services to the site. Staff anticipates hosting a neighborhood meeting within 30 days to discuss possible scenarios for relocating police services to the site and obtain public responses, including related neighborhood concerns.
2. Phase I and II environmental site assessments to determine the presence of any hazardous materials.
3. Architectural feasibility to identify the parts of current police operations that can be relocated to the existing building within a relatively short timeframe. This process will also evaluate the feasibility of expanding the building to house all police services, should the Town do so in the future.
4. Parking on and access to the site.
5. Costs to remodel the facility and financing plan.

Staff will retain consultants to assist in the site evaluation. Any final decision to approve a purchase agreement for the property must be made by Council in open session. An additional meeting will be held by the Planning Commission, which is required by State law to review the proposed purchase for consistency with the Town's General Plan. The Commission will also consider any environmental determinations made under the California Environmental Quality Act ("CEQA").

CONCLUSION:

The Town has not reached a decision on the purchase of this site. The Town has 60 days to completely investigate the property, obtain public input, and then decide whether to complete the purchase.

Attachments:

1. Site Plan

