



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Park Land for Sale by Texas Instruments Incorporated

BACKGROUND

At the Council meeting of April 8, 2014, Vice Mayor Davis noted that Texas Instruments Incorporated is selling property located in the City of Sunnyvale that has been developed into sports fields and recreation space. Staff was asked to look into the sale of the land as a potential opportunity for the City to purchase additional open space. This report provides staff's findings for Council discussion.

EXISTING POLICY

General Plan LT-8.11 Support the acquisition of existing open space within the city limits as long as financially feasible

Council Policy 1.2.7 Acquisition, Leasing and Disposition of City-Owned Real Property

ENVIRONMENTAL REVIEW

This matter is not a project for purposes of the California Environmental Quality Act (CEQA) because it will not result in a direct physical change in the environment (Guideline 15378). If the City takes action which has the potential to be a project that does result a direct physical change in the environment, the City will conduct CEQA analysis for the identified project.

DISCUSSION

Staff contacted the real estate manager of Texas Instruments and discussed the property for sale. The recreation property is one of five parcels totaling 24.17 acres for sale by Texas Instruments (Attachment 1); the sale price is \$95 million for all five parcels. The open space parcel is 15.57 acres in size and is located on Kifer Road in the City of Sunnyvale (Attachment 1, Parcel 1). Texas Instruments staff confirmed that all the parcels are to be sold as one package to one buyer. Texas Instruments is not open to selling the recreation space independent of the other parcels for sale.

FISCAL IMPACT

In Fiscal Year 2013/14 the City began setting aside 20% of all Park Dedication Fee (PDF) revenues for the acquisition and improvement of new open space. The remaining 80% of PDF revenues are committed towards parks and recreational facility improvements identified in the City's 20-year Capital Improvement Program. It is estimated that at the end of the current fiscal year, the Park Dedication Fund will have a balance of approximately \$1.2 million set aside for land acquisition, an amount insufficient to purchase the subject property. The City could potentially finance the purchase of the land through the issuance of bonds, however this would be a costly option and require that the debt be secured by the General Fund. The debt service payments on \$95 million would be \$7-\$8 million per year. The General Fund is tightly balanced; adding this level of ongoing expenditure would

require significant reductions in existing services. Given the size of this purchase, and the burden it would place on the General Fund, staff does not believe this purchase is financially feasible.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Accept staff findings on the properties for sale by Texas Instruments Incorporated and take no further action.
2. Other action as directed by City Council.

STAFF RECOMMENDATION

Alternative 1: Accept staff findings on the properties for sale by Texas Instruments Incorporated and take no further action.

Prepared by: Christina Uribe, Acting City Property Administrator

Reviewed by: Kent Steffens, Director, Public Works

Approved by: Robert A. Walker, Interim City Manager

ATTACHMENTS

1. Aerial Map of Properties for Sale by Texas Instruments Incorporated