

July 17, 2014

15-014

DELEGATE AUTHORITY TO COLLEGE PRESIDENT
OR HIS DESIGNEE TO NEGOTIATE TERMS AND
CONDITIONS FOR PURCHASE OF REAL PROPERTY
NEAR SOUTHEAST CAMPUS

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APPROVED BY: Dr. Jeremy Brown, President

REPORT: Board Policy B214 reserves to the Board the approval of purchase or sale of any real property.

The College was advised two years ago that a property one block to the west of the Southeast Campus was for sale. The property had been used for many years as gated employee parking (60 spaces) for the Kaiser clinic, which was established in the 1960's. With the clinic's closure, Kaiser decided to sell the property. The initial asking price (\$1 M) was so far above staff's view of the market that staff recommended that the College not pursue purchase. Subsequent bond planning made other provisions for parking that were acceptable to the City in the course of the College gaining development permits for Southeast's expansion.

A significant complicating factor is that zoning for the property is uncertain. Staff's view is that Kaiser's need to provide for employee parking developed after the clinic's development. In response to neighbor concerns, it appears that the City granted a temporary zoning change, from R2 (residential) to CN2 (neighborhood commercial) to allow the property to be developed as Kaiser employee parking. It appears that this zoning action required that the zoning revert to R2 upon a change in ownership. It further appears that this rezoning to CN2 occurred via a process that is no longer permitted, so the process for the zoning reversion is unclear. If the zoning remains CN2, and if the City views its use as "College", then its use in its current form is permitted. If the zoning reverts to R2, and the use is "College", then its use becomes subject to an Conditional

Use permit. On the other hand, if the City views the use as "Parking" as opposed to "College", then its use as parking is not permitted in either zone.

Nonetheless, the property is of interest to the College to increase the Southeast parking supply in view of Southeast's growth potential, if the zoning uncertainties can be resolved. Staff has begun conversations to this end with City staff.

The property details are:

Physical address: 7601 SE Division St.

Assessor tax lot number: R332517

Lot size: 40,075 sq. ft. (0.92 acres)

Assessed Value: \$377,640

Assessor's Real Market Value: \$614,370

Appraised Value: Not determined due to clouded zoning

RECOMMENDATION: That the Board of Directors delegate its authority in Policy B214 to the College president or his designee to: 1) work with City staff to determine the process for resolving the zoning uncertainty, and if as finally resolved its use as PCC parking is permissible; 2) if usable by PCC, commission an appraisal; and 3) negotiate the terms and conditions of, and execute if possible, a binding purchase and sale agreement for purchase of the above-described property. This authority would be subject to the prior concurrence of College Counsel and the Board Chair. Funding for the purchase will be provided by the 2008 Bond program.