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CITY COUNCIL STAFF REPORT

Meeting: June 3, 2025

Subject

Consider the potential purchase of and appoint a negotiator for 10480 Finch Avenue, owned by the Cupertino Unified School District, adjacent to Sedgwick Elementary School

Recommended Action

Appoint the Interim City Attorney and Acting City Manager to negotiate with the Superintendent of the Cupertino Unified School District or her designee regarding the possible purchase of 10480 Finch Avenue, Cupertino, CA 95014, Assessor's Parcel Number 375-40-067, from Cupertino Unified School District on terms established by the City Council.

Background

10480 Finch Avenue ("Finch Property") is an approximate 1.5-acre vacant parcel currently owned by the Cupertino Unified School District ("CUSD"). Adjacent to Sedgwick Elementary School, it is located in the southeastern portion of the City in the Rancho Rinconada district, bounded by Stevens Creek Blvd. to the north, Miller Avenue to the west, Bollinger Road to the south and Lawrence Expressway to the east.

In 2016, the CUSD Board authorized the purchase of the Finch Property for \$5,386,750 in order to expand Sedgwick Elementary School. Due to the property's prior use for agricultural purposes and the potential presence of pesticides, CUSD retained an environmental consultant to complete a Geologic and Environmental Hazards Report. Testing by the consultant revealed pesticide residue, lead, and hydrocarbon deposits from an underground fuel tank. Under the oversight of the Department of Toxic Substances ("DTSC"), a Preliminary Environmental Assessment and a Supplemental Site Investigation were completed in September and November 2015. Although CUSD has confirmed providing all documentation in their possession, they did not provide a copy of a closure letter from DTSC. Further investigation into the environmental condition of the site is advisable and an updated Phase 1 Environmental Report should be obtained during negotiations.

Pertinent Environmental documents from CUSD are as follows:

- i. Attachment A: Preliminary Environmental Assessment (September 2015)
- ii. Attachment B: Supplemental Site Investigation (November 2015)
- iii. Attachment C: School Cleanup Agreement with DTSC (June 2017)
- iv. Attachment D: Removal Action Workplan (January 2018)
- v. Attachment E: Hazardous Materials Management Report (June 2018)

Parkland Dedication in lieu Fee fund

Pursuant to Municipal Code section 13.08 and Government Code section 66477, permissible uses of the Parkland Dedication in lieu Funds ("Parkland Funds") include acquisition of parkland or developing new parks and recreational facilities.

Currently, the City's Parkland Fund has a balance of approximately \$19.1 million (as shown on 118 of the FY23-24 ACFR), of which \$5.9 M is allocated toward Lawrence-Mitty Park design and construction, leaving approximately \$13.2 million currently not allocated. If the City Council intends to convert this parcel into a public park space, the available Parkland funds could be used towards the purchase and development of the property.

Next Steps

Should Council direct staff to proceed with exploring a purchase of the Finch Property, the following due diligence information will need to be prepared prior to a discussion in Closed Session:

- i. Obtain an updated Title Report;
- ii. Perform any required environmental analysis;
- iii. Obtain a property appraisal.

The above are estimated to cost approximately \$10,000 and to take approximately 6 to 10 weeks to complete.

Sustainability Impact

No sustainability impact.

Fiscal Impact

Appointment of negotiators will result in the use of staff time and expenses for time used by Aleshire & Wynder, LLP. Approximately \$10,000 will be used from the City Manager's contingency fund (100-14-123 719-705) to procure the necessary documentation to inform the purchasing discussions.

City Work Program Item/Description

None

Council Goals

Quality of Life

California Environmental Quality Act

Not applicable at this time.

Prepared by: Chad Mosley, Director of Public Works

Reviewed by: Floy Andrews, City Attorney

Approved for Submission by: Tina Kapoor, Acting City Manager

Attachments:

A - Preliminary Environmental Assessment (September 2015)

B - Supplemental Site Investigation (November 2015)

C - School Cleanup Agreement with DTSC (June 2017)

D - Removal Action Workplan (January 2018)

E - Hazardous Materials Management Report (June 2018)