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File: 5012-153

January 18, 2017

City of Morgan Hill
c/o Mr. Steve Rymer, City Manager
17555 Peak Avenue
Morgan Hill, CA 95037

Subject: **Revised Offer for Purchase** for West Edmundson Avenue, Morgan Hill, CA 95037
APN 767-18-025

Dear Mr. Rymer:

As you are aware the Santa Clara Valley Water District (District), as part of the Upper Llagas Creek Flood Protection Project, is considering purchasing real property rights on a portion of the City of Morgan Hill (City) property located at West Edmundson Avenue in Morgan Hill, CA (Property). The property to be purchased consists of approximately 0.572 acre(s) of land and improvements located on the westerly side of the parcel. The Property is more particularly described in the revised attached Exhibit A and includes an additional 806 s.f. of land above the initial offer for a total of 24,920 s.f. to be acquired.

It has been determined during initial negotiations with the City that improvements within the area to be acquired were overlooked in the original appraisal and not included for compensation as part of the original offer. Based on additional information provided by the City, Smith & Associates has reviewed the information and updated the appraisal to include a value for compensation of those improvements:

Therefore the District offers to purchase the Property for **SEVENTY ONE THOUSAND AND ZERO DOLLARS (\$71,000.00)**, which includes: \$1,000.00 of nominal value land acquisition (24,920 sf @ nominal value/sf) and \$70,000 for approximately 640 linear feet of current bike path and site improvements. This offer is contingent upon the following:

- The property acquired being free and clear of all liens, mortgages, encumbrances, conditions and restrictions except for those District agrees to take "subject to.";
- The Property being free from environmental contamination and having soil conditions such that the Property is suitable for development to its highest and best use as defined in the appraisal; and

- The offer is also subject to approval by the District's Chief Executive Officer and mutual execution of a Right of Way Agreement to be prepared and submitted to you for signature upon your acceptance of this Offer to Purchase.

Nothing in this Offer to Purchase shall pre-commit the District and no decision to acquire this Property can be finalized unless, and until, the Board formally acts to approve the acquisition following successful completion of any environmental review required under the California Environmental Quality Act.

The amount offered as just compensation was determined after consideration of an appraisal of the fair market value of the Property. The amount determined to be just compensation in the District's appraisal:

- a. Represents the full amount that the District established as the amount, which it believes to be just compensation;
- b. Is no less than the full amount of the District's approved appraisal of fair market value for the Property; and
- c. Disregards any decrease or increase in the fair market value of the Property caused by the public improvement for which the Property is to be acquired or the likelihood that the property would be acquired for such public improvement, other than due to physical deterioration within the reasonable control of the Owner or occupant.

We would appreciate your response to this offer to purchase no later than January 27 2017.

If you have any questions or need additional information, please contact me at 800-400-7356.

Sincerely,



Steven Harris
Project Manager

Enclosures: Appraisal Update Dated January 10, 2017

cc: Bill Magleby, Senior Real Estate Agent

EXHIBIT A

