

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Norberto L. Dueñas

**SUBJECT:** SOCCER COMPLEX UPDATE

**DATE:** April 22, 2016

---

## INFORMATION

The purpose of this memorandum is to provide an update on the status of the proposed development of a soccer complex in Guadalupe Gardens. As part of Item 5.1 of the April 19 City Council agenda, the Mayor and City Council unanimously granted the City Manager authority to either (1) Proceed with awarding a contract for construction of soccer complex at the existing Airport West site; or (2) Deny the award and pursue an alternative larger complex at the Guadalupe Gardens in partnership with the San Jose Earthquakes and Guadalupe River Park Conservancy.

This afternoon I have determined that we have made sufficient progress with our partners to continue down the path of creating a new and larger soccer complex in Guadalupe Gardens. To this end, we have informed the contractor that we are not awarding the bid for the construction of the smaller complex at the Airport West site.

Three specific areas of progress have allowed us to make this decision:

- **Federal Aviation Administration:** We have come to agreement with FAA regarding the Fair Market Value for the property in Guadalupe Gardens, and based on our available funding, we feel confident that we can complete the funding plan to secure the property. The FMV of the property we have agreed to is \$17 per square foot. The funding plan to secure the property is outlined in Attachment E of supplemental memorandum #5 presented to the Mayor and City Council as part of Item 5.1 on April 19, 2016. ([http://sanjose.granicus.com/MetaViewer.php?view\\_id=&event\\_id=2132&meta\\_id=569067](http://sanjose.granicus.com/MetaViewer.php?view_id=&event_id=2132&meta_id=569067)). We are comfortable that the funding plan meets the requirements laid out in the City Council meeting synopsis, Item 5.1: <http://sanjoseca.gov/DocumentCenter/View/55891>.
- **Risk Aversion:** An agreement has been signed among the City, Coleman Airport Partners (CAP), and the San Jose Earthquakes that requires CAP and the Earthquakes to pay up to \$3 million of potential additional costs if the Guadalupe Gardens project is unable to move forward in the future and thus the City needs to revert to the smaller project at Airport West.

April 22, 2016

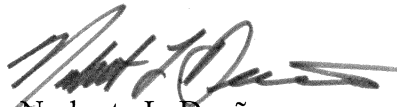
**Subject: Soccer Complex Update**

Page 2

- **Memorandum of Understanding:** An MOU has been signed by the Earthquakes, CAP, Guadalupe River Park Conservancy, and the City detailing the major project terms. These terms are outlined in Attachment E of supplemental memorandum #5 presented to the Mayor and City Council as part of Item 5.1 on April 19, 2016. ([http://sanjose.granicus.com/Viewer.php?view\\_id=&event\\_id=2132&meta\\_id=569067](http://sanjose.granicus.com/Viewer.php?view_id=&event_id=2132&meta_id=569067))

We are excited that we now can officially pursue this this opportunity to build an outstanding public amenity together with our partners. The larger seven-field complex in Guadalupe Gardens will be a premier location that will significantly enhance the recreational opportunities for our community. I am looking forward to continuing to move this project forward in partnership with the Mayor and Council, Guadalupe River Park Conservancy, San Jose Earthquakes, and Coleman Airport Partners.

I am deeply appreciative of the tremendous effort made by so many in this complex effort, including staff from multiple departments and our local and federal partners. Their willingness to go the extra mile, develop creative solutions, and work effectively against a deadline have been the essential factors that have allowed us to reach this point. There remains much work to do, of course, but that will be done on the foundation that we have built together.



Norberto L. Dueñas  
City Manager

For questions, please contact Matt Cano, Assistant Director of Parks, Recreation & Neighborhood Services at (408) 535-3580 or Nanci Klein, Assistant Director of Economic Development at (408) 535-8184

