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San Jose pushing ahead to buy land for A's stadium deal, but costs are climbing

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Posted: 04/25/2010 12:00:00 AM PDT

Updated: 04/26/2010 06:49:20 AM PDT

San Jose officials say the cost to taxpayers for a proposed Major League Baseball park would be small compared to what other cities have offered for stadiums — probably a bargain-basement lease for the Oakland A's on city land near the downtown train station.

Yet assembling the complicated puzzle of land for the ballpark and related road improvements is sure to cost more than the \$70 million estimated by officials who tout the project as a major boost to downtown.

San Jose's challenge in many ways is much steeper than that of Santa Clara, which is working to bring the San Francisco 49ers to town. The property eyed for that stadium is a vacant, city-owned lot right off Highway 101. Having to cobble together multiple parcels is forcing San Jose to pay millions to property owners who may see a bonanza in a down market — then spend millions more to improve access.

Even after shelling out more than \$24 million, San Jose owns less than half the 14 acres earmarked for an A's stadium — and it's not clear all the holdout want to sell. Redevelopment officials will ask the city

council on Tuesday to approve another piece of the puzzle: a \$4.6 million cluster of nearby lots that would provide a thoroughfare to the ballpark site from Interstate 880.

Still to come is a third portion of land that agency officials need to complete the thoroughfare — and which they concede they don't have the money yet to buy.

With San Jose facing a \$116 million deficit and hundreds of layoffs, some taxpayers say this isn't the time to spend tens of millions on a ballpark — even one that city officials insist will pump far more money into the local economy. Officials also stress that redevelopment money can't be used to pay cops or staff libraries. And federal grants could pay for some of the road improvements.

QUOTE TK FROM A GUY WHO LIKES THE BALLPARK IDEA

But standing in the way are homes, mom-and-pop business and a gas supply company that sits roughly where third base is envisioned.

"The city's just thinking about themselves," said Juan Figueroa, a 32-year-old salesman at industrial gas supply firm Aeris. He's holding out hope he and his co-workers won't have to relocate.

San Jose officials counter that they've stashed away enough money for just such a one-time opportunity, and time is of the essence.

In the next few months, a high-level Major League Baseball committee is expected to recommend whether A's owner Lew Wolff should be allowed to move the team to the South Bay. Meanwhile, the San Francisco Giants are trying to protect their territorial

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rights to Santa Clara County, which baseball officials granted in 1992.

Should San Jose get the nod, voters would have to approve any public subsidy, including a discounted lease. No city money would go into building or operating the \$461 million stadium, which would be paid for by the As.

Yet even if a ballpark never materializes, the redevelopment agency plans to continue buying up the 14 acres and build a mix of offices, housing and retail at the site. The same is true of the purchase the council will be asked to approve Tuesday for the so-called Autumn Street Extension, which would bring motorists more quickly into downtown from 880.

Currently, to get to HP Pavilion near the baseball site, drivers have to take Coleman Avenue into downtown, then crawl along Santa Clara Street or follow tight turns through narrow side streets.

"In order to build out the downtown, you need access north to Coleman and 880," said John Weis, the redevelopment agency's assistant executive director.

But while the agency is buying land for phase 1 of the extension, it has no immediate plans to buy a handful of homes or a book wholesaler that sit in the path of phase 2. That would leave motorists with some of the same hairpin turns before reaching the ballpark site — at least until the agency has money to move ahead.

If the council approves the purchase Tuesday, the RDA will have spent most of the \$7 million it's set aside to acquire land for phase 1. Another \$4 million has been budgeted to construct the thoroughfare itself.

None of that is part of the \$35 million the agency has budgeted through mid-2015 to buy land near the train station. Twenty million of that will come from the recent sale of two downtown parking lots; the rest will either pay for land or demolish buildings and relocate utilities. Agency officials also saved tens of millions by deciding last fall to reconfigure the ballpark site rather than buy a large chunk of land owned by PG&E.

Potentially complicating matters is the fact that some of those owners — from telecom giant AT&T to a few homeowners to the 72-year-old book wholesaler at the corner of North Autumn Street — may not want to sell. That could lead agency officials to invoke eminent domain, a lengthy and potentially costly legal process by which public agencies can seize private land. San Jose routinely used the strategy between the 1970s and 1990s to redevelop downtown, but agency officials haven't used it for most of the past decade.

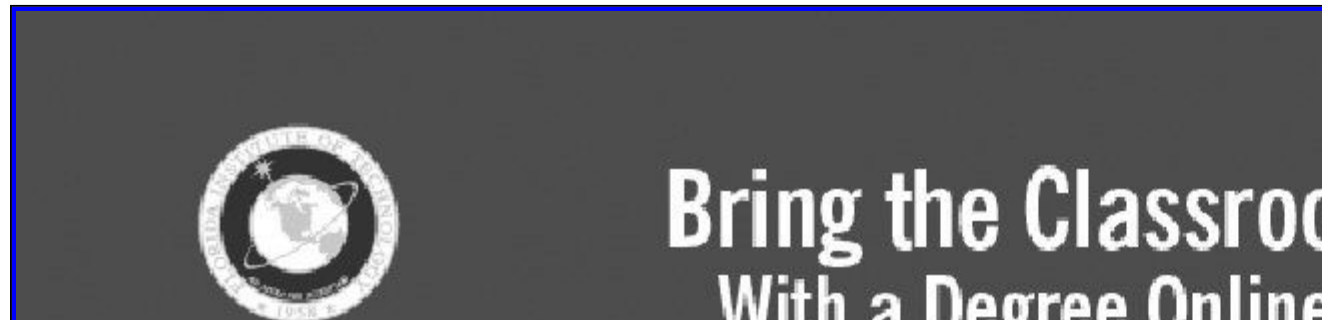
Pressed on whether the RDA might try to seize any ballpark land from owners who dig in, Weis ducked. "We are going to negotiate the property acquisitions," he insisted.

Privately, two real estate brokers say the agency has paid generously for some of its recent acquisitions for the Autumn Street project.

But Mike Akatiff, the 64-year-old businessman who's selling part of his land Tuesday to the agency, says he's confident he could have ended up with even more money if he'd forced the city into litigation. Aside from the \$4.6 million, he's getting an option to buy a nearby parcel of city land on which he plans to build warehouses.

"I looked at the whole picture," he said last week.

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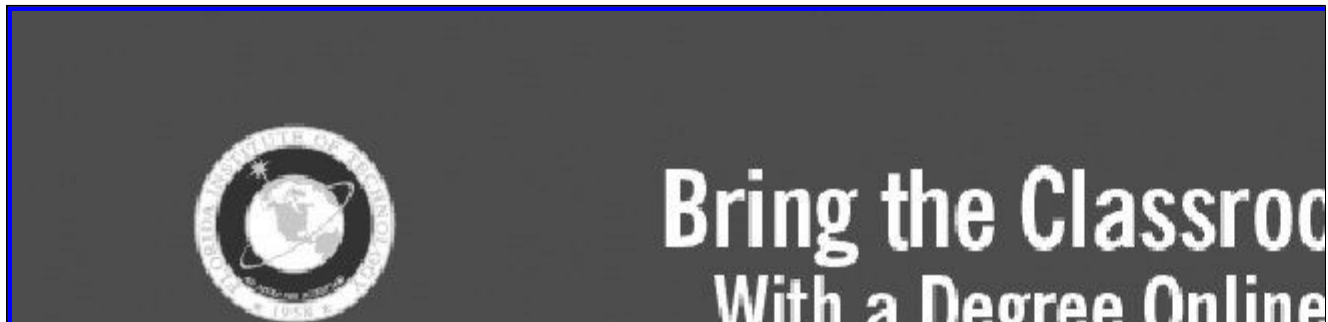
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