



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nora Frimann
City Attorney

SUBJECT: SETTLEMENT OF EMINENT
DOMAIN LAWSUIT FOR
PROPERTY LOCATED AT 150 N.
MONTGOMERY STREET

DATE: May 3, 2024

RECOMMENDATION

Approve the settlement of an eminent domain lawsuit brought by Plaintiff City of San Jose against Defendant Property Owners Rodolfo Duenas, Raul Jimenez, and Yolanda Jimenez in the total amount of \$1,980,470 and authorize the City Attorney to execute a stipulation for entry of judgment.

OUTCOME

Settlement of the eminent domain lawsuit brought by Plaintiff City of San Jose against Defendant Property Owners Rodolfo Duenas, Raul Jimenez, and Yolanda Jimenez in the total amount of \$1,980,470. Of this total amount, \$10,000 is for the payment of Defendant Property Owners costs and attorneys' fees.

BACKGROUND

Plaintiff City of San Jose filed a complaint in eminent domain in Santa Clara County Superior Court against Defendant Property Owners Rodolfo Duenas, Raul Jimenez, and Yolanda Jimenez. As part of this lawsuit, the City seeks to condemn the property for public use for the construction of a parking structure, the Lot E Parking Structure, located at 150 N. Montgomery Street. The settlement is for settlement of all claims by Defendant Property Owners with respect to the property interests acquired in this case.

ANALYSIS

This is a negotiated settlement between the parties to avoid the risks and delays inherent in litigation. The City will pay Defendant Property Owners the total sum of \$1,980,470 in full satisfaction and settlement of all claims, and title to the property will transfer to City of San Jose for the construction of the Lot E Parking Structure. The proposed agreement will conclude the litigation without further cost, expense, or risk of

loss to the City and City employees. As part of the settlement amount, the City will pay Defendant Property Owners \$10,000 for costs and attorneys' fees spent defending the action. The remaining balance of \$1,970,470 is just compensation for the fee interest of the real property, and the settlement of all claims, and is well within the standard margin of error of the requisite government code appraisal of the property's fair market value.

PUBLIC OUTREACH/INTEREST

This memorandum and the Settlement Agreement have been posted on the City's website for the May 14, 2024 agenda.

COST SUMMARY/IMPLICATIONS

The purchase of the property will be funded by the Greater Downtown Parking Inventory appropriation in the General Purpose Parking Capital Fund.

CEQA

Initial Study/Addendum to the Downtown Strategy 2040 Final Environmental Impact Report (Resolution No 78942) for the Lot E Parking Structure Project.

By: /s/
NORA FRIMANN
City Attorney

cc: Jennifer Maguire, City Manager

For questions, please contact NORA FRIMANN, City Attorney, at (408) 535-1900