

January 20, 2015

Dear Mr. Wetzel,

Thank you for your communication and Public Records Request dated December 22, 2014. I would like to begin by clarifying that the shopping center located at the corner of San Felipe Road and Yerba Buena Road was not constructed by the San Jose Evergreen Community College District ("District") and no public funds were used for the construction of the shopping center. The parcel in question is owned by the District and was acquired sometime in the late 1960's as part of the acquisition of land for the construction of Evergreen Valley College. The total site consists of approximately 175 acres. In the 1990's, pursuant to the authorization and procedures set forth in the California Education Code, the District declared some of its land as "surplus" which means that it was not needed for the construction of classroom space. Subsequently, the six (6) acres currently used for the shopping center were leased to a developer using a long term ground lease. Per the terms of the ground lease, the developer then obtained approvals from the City of San Jose to build a shopping center. The shopping center was built by the developer using its own funds and did not use any public money to construct the shopping center. Thereafter, the developer operated the shopping center using its own funds and pays rent to the District.

Regarding your concerns about the payment of property taxes, you are correct in that the District does not pay property taxes. However, the developer pays a possessory interest tax to the County. This tax is assessed in the same way as a property tax.

With regard to your specific request for records, I have the following responses to each of your requests:

1. Records that specifically identifies the source funds SJECCD used to purchase County parcels: APN: 660-21-021, APN: 660-21-022, APN: 660-21-016.
 - a. We do not have records which identify the source of funds used to purchase the District parcels.
2. Records that specifically identifies the source funds used to construct the commercial shopping center at 4868 San Felipe Rd, San Jose, California.
 - a. We do not have any records that specifically identify the source of funds used by the developer to construct the shopping center.
3. Records that specifically identifies the source funds used to operate and maintain commercial shopping center at 4868 San Felipe Rd, San Jose, California.
 - a. We do not have any records that specifically identify the source of funds used by the developer to operate and maintain the shopping center.

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4. A copy of the bond agreement or any other written conditions that were placed on the District for the funds used to purchase the property located at 4868 San Felipe Rd, San Jose, California.
 - a. We do not have any such documents.

5. A copy of the bond agreement or any other written conditions that were placed on the District for the funds used to construct the commercial shopping center located at 4868 San Felipe Rd, San Jose, California.
 - a. We do not have any such documents.

6. Any public record that shows that SJECCD is permitted to purchase develop, own or maintain commercial property using public education funds.
 - a. We do not have any such documents.

I hope this answers your questions regarding the status of the shopping center.

Sincerely,



Doug Smith
Vice Chancellor, Administrative Services
San Jose/Evergreen Community College District