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San Jose agency to use land sale proceeds to complete land purchases for A's ballpark

By Tracy Seipel tseipel@mercurynews.com

The plan to sell six downtown properties to raise money for the A's ballpark site has come up almost \$7 million short of what the San Jose Redevelopment Agency expected -- and that may lead to a new round of "For Sale" signs popping up on some of the agency's other most coveted properties.

Monday was the deadline for bids on the six properties -- ranging from downtown parking lots to the Fairmont hotel retail annex -- which fetched a total of \$19.59 million from the highest bidders, according to the agency. The agency's appraisals had pegged the total value at about \$26 million.

With the state budget crisis threatening the future of redevelopment agencies in California, San Jose's agency is urgently trying to sell the properties and turn around to use the proceeds to buy the final pieces of land for a proposed baseball stadium for the Oakland A's.

One bidder who won't be considered: A's owner Lew Wolff, a prominent developer, who made an offer for the annex and parking garage at the Fairmont hotel, which he already owns. But instead of bidding on each property separately -- as required -- Wolff made a combined offer for an undisclosed price that the agency won't consider, agency chief Harry Mavrogenes said.

That didn't stop others from bidding millions of dollars on both; up to \$3.7 million on the annex and another \$2 million on the parking garage. The city's Fountain Alley parking lot received 10 offers, including one for \$6.4 million.

"There was strong interest and we will evaluate these," Mavrogenes said of the bids. "Some of these may have exceeded our appraisal, and some may not have."

If the agency ultimately decides that the high bid on a particular parcel doesn't meet its price, Mavrogenes said he will pull it off the market and may choose to put other agency properties on the list instead.

Combined, the top bids come close to the \$20 million the agency believes it will take to buy two privately-owned pieces of land near the Diridon train station that would sew up the proposed stadium site.

Among the better-known local bidders for the parcels were the Sobrato Development Cos., Imwalle Properties and Green Valley (Barry Swenson Builder).

Wolff said his bid wasn't a backdoor attempt to help San Jose buy the final pieces of property for a baseball stadium.

"It's not my money," he said, "it's whatever they (RDA) want to use it for."

But the proposed stadium near the Diridon train station is directly linked to Wolff's fervent wish to relocate his team to San Jose.

The parcels for sale represent about 11 percent of the Redevelopment Agency's total assets of \$220 million to \$240 million, Mavrogenes said. One local commercial real estate expert who was consulted by some of the bidders and asked not to be named, said the prices offered seem reasonably close to current market value.

But he said the Sobrato bid of \$5.1 million for the Central Place parking lot at 150 S. Second St. was surprisingly high "for the type of property and its condition." That's because a buyer of the property, which he said has been home to a gas station, dry cleaning business and mechanic shop, must also pay millions to conduct an environmental cleanup of the site.

And he called Next Realty's \$2 million bid for the Fairmont garage "a steal" that should easily have brought \$5 million.

The hotel garage generates about \$306,000 in net revenues annually for the agency. The McCormick & Schmick's Seafood restaurant and Bijan Bakery properties in the hotel annex rent for \$16,275 a month and \$6,213 a month, respectively. The owner of the bakery also has put in a bid for almost \$3.6 million for the hotel's retail annex.

The parcel that generated the greatest interest -- 10 bids -- was the Fountain Alley parking lot at 35 S. Second St. Developers may be attracted to the site because it's considered an "infill" area that could easily be developed into retail, office space or housing.

San Jose's Redevelopment Agency is on life support; plunging property-tax assessments have decimated its budget and a recent proposal by Gov. Jerry Brown to eliminate all such agencies as a way to free up money for schools and other programs is gaining support with likely voters around the state, according to a recent statewide poll.

But neither have stopped the agency's goal to finish the real estate part of the ballpark project, which Wolff has offered to build for about \$460 million. The plan to sell the land has been in the works for months, Mavrogenes said. The sale began Jan. 13 and bidders were expected to meet a 4 p.m. deadline Monday.

Mavrogenes said he expects escrow to close on all properties by June 30.

The Redevelopment Agency already has spent about \$24.4 million for little more than half the 14 acres earmarked for the ballpark project, and Mavrogenes is now setting up meetings with the landowners, one of which is AT&T, which sponsors the San Francisco Giants.

In late March 2009, baseball Commissioner Bud Selig appointed a special committee to study the A's options. The hurdle remains with the World Series champion Giants, who hold baseball's territorial rights to the South Bay and have argued that the A's move would destroy their sponsorship and ticket sales.

But even if Selig agreed to relocate the A's, it would also take three-quarters of Major League Baseball owners to allow the move. And before any public money can be spent on the project, San Jose voters would have to approve it.

Carter's path to A's roster faces obstacles

Additions of DeJesus, Willingham leave slugger as odd man out

By Jane Lee / MLB.com

OAKLAND -- Chris Carter's rookie-induced smile never withered during a rather disheartening career-opening hitless streak spanning 33 at-bats last year.

Rather, Oakland's biggest prospect -- twice the A's organizational Player of the Year -- stayed the course, never once removing himself from an approach that had previously made him one of the Minors' most formidable power hitters.

The result: a 13-for-38 run that included his first three big league homers, along with seven RBIs, to end the 2010 season.

This was the Carter whom A's fans had longed to see -- the saving grace, so to speak, of the club's power-hitting woes.

"At the end," he said, "I thought I could be their guy coming in and making the team."

He was far from alone in that thinking, though two new outfielders -- David DeJesus and Josh Willingham -- have since entered the picture, leaving Carter's roster status in limbo.

"Now, it's definitely more of a competition," he said.

Yet, there really won't be much competing in the event DeJesus and Willingham, along with center fielder Coco Crisp and presumed fourth and fifth outfielders Ryan Sweeney and Conor Jackson, remain healthy through camp.

Carter is currently the odd man out and, subsequently, could very well be handed a ticket back to Triple-A Sacramento again. The only thing left to improve there, he said, is his outfield defense. The 24-year-old made 28 outfield appearances next to 96 stints at first base while posting a .258/.365/.529 line for the River Cats last year, and he still admittedly feels more comfortable in the latter position.

But that spot belongs to Daric Barton, whom the A's unquestionably view as their Opening Day first baseman this year.

"Daric has solidified himself at first, and I think Chris is a good enough athlete to make the transition to the outfield," general manager Billy Beane said earlier in the winter. "He really just went out there a couple weeks before he came up, so I think we need to give him some time. He does have power.

"Daric, he showed himself to be, in my opinion, the best first baseman in the league. He's also made significant strides offensively. I was quite pleased with what he did there this year, and I have no intention of taking him off first base."

Talk of DH responsibilities also circled Carter before the Hideki Matsui signing, but the A's would prefer to extend the grooming process of his athletic abilities given his young age. Carter agrees with the notion, even if it means that's one less position for which he could fight.

"I don't know my chances now of making the team with the signing of new players," he said. "I'd like to think I'm going into camp with an opportunity to make the team. We'll see how it turns out."

Oakland should avoid Chone temptations for many reasons

Sam McPherson, examiner.com, 1/29/2011

Rumors are flying about the [Oakland Athletics and Seattle Mariners infielder Chone Figgins](#) right now, but the A's should not fall into the trap of believing Figgins is a tonic for what ails them. He is too old and too expensive, and there are better options out there for the team at third base.

Figgins just turned 33 last week, and for a player with an offensive game based on speed, that's never a good thing. Sure, there are exceptions to all "rules" of predicted performance, but generally, this is an age when most players historically have started to decline.

Modern medicine and training techniques may have pushed the decline demarkation line into the mid-30s, but do the A's want to risk that Figgins is going to be able to perform at a decent level for the next few years? The Mariners took that risk last year, signing Figgins to a big deal, and they got burned by it.

Figgins suffered major drops in most key offensive categories last year: his batting average dropped 39 points, his on-base percentage dropped 55 points, and his slugging percentage dropped 87 points. Throw in a drop in extra-base hits from 42 to 24 and a drop in walks from 101 to 74, and it was a disaster for Figgins and Seattle.

Yes, team quality and ballpark adjustment may have had a lot to do with the drop in production, but that doesn't explain all of the struggles away. Plus, Oakland's ballpark isn't a hitting haven, either, and the Oakland offensive lineup wasn't much better than the Mariners' lineup last year.

So do the A's want to take the chance Figgins will bounce back at age 33? His best season was 2007, and even that was a partial season as he only played 115 games. It's not a wise risk, especially considering the financial aspects.

Figgins signed a big deal with Seattle last year, and he is owed \$26M over the next three seasons. If he plays enough in 2013, there could be one more year on the deal for \$9M in 2014. That's a potential \$35M commitment to a player who may be in decline already.

The A's don't want to get burned with that one, especially since they have a relatively "better" player at third base right now in Kevin Kouzmanoff. The Oakland incumbent didn't have a great 2010 season, but he's half as expensive and four years younger.

Considering [Toronto may also have interest](#) in Figgins, it might behoove the A's general manager Billy Beane to pull off one of his patented three-way deals here: Figgins to Toronto, Edwin Encarnacion to Oakland and Kouzmanoff to Seattle.

Oakland tried to acquire Encarnacion over the winter, retaining his rights for a month before he returned to the Blue Jays via free agency. He's the best solution to the A's third base quandary: younger and more powerful. He may not be as reliable as Kouzmanoff or Figgins in the health department, but if you're going to take a risk, Encarnacion is the one you want to gamble on in this scenario.