

6/26/18

item 3

City of Santa Clara

City Council Meeting

Item #3: Various Actions on North South Parcel

June 26, 2018



Background

- Successor Agency began marketing the North South Property in March 2018
- The City expressed an interest in purchasing the North South Property in May 2018 and submitted an offer to purchase
- Oversight Board determine another bidding process was required.
- On June 8, 2018, Oversight Board approved final bidding instructions and a bidding process for North South.

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Bidding Instructions

- Bids due at 12:00 noon on June 21
- Minimum price - \$5,745,000
- \$500,000 deposit to be included and signed Purchase and Sale Agreement
- Bid Opening at City Hall on June 21 at 4:00 pm

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Bids

- Two bids submitted
- City of Santa Clara was the winning bid at \$7,468,500.
- The next highest bid was from Jamestown at \$5,925,000.49.

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Value Analysis

City appraisal (November 2017): \$5,745,000

Bid price = appraisal + 30%

Considerations:

- As part of the dissolution process, 10% of the sale will return to the City making the actual amount approx. \$6,721,650).
- The actual difference between both bids, based on the dissolution process, is \$796,650 or 13% above the other bidder.

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Next Steps

- Final action for approval by the Oversight Board is scheduled for June 29, 2018.
- Close by July 16, 2018

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Recommended Action

That the **Council**:

- 1) Adopt a Resolution:
 - a) Approving and ratifying the execution of a Purchase and Sale Agreement with the Successor Agency to purchase the North South Parcel property located at 4911 Great America Parkway at a price of \$7,468,500 from the Land Use Reserve; and
 - b) Approving and authorizing the execution of minor amendments to the Agreement and all documents and corresponding budget adjustments necessary to accomplish the transfer.
- 2) Approve the use of \$7,468,500 from the Land Sale Reserve, leaving a fund balance of \$21,616,901.

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Recommended Action

Council acting as the governing body of the **Successor Agency** to the Redevelopment Agency of the City of Santa Clara adopt a Resolution:

- 1) Approving the sale and transfer to the City of Santa Clara the North South Parcel property located at 4911 Great America Parkway at the sale price of \$7,468,500 and authorizing the City Manager/Executive Officer to execute a Purchase and Sale Agreement with the City of Santa Clara for the purchase; and
- 2) Approving and authorizing the City Manager/Executive Officer to execute minor amendments to the Agreement as necessary and all documents necessary to accomplish the transfer.

**City of
Santa Clara**

