



Agenda Report

18-818

Agenda Date: 6/8/2018

REPORT TO OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA

SUBJECT

Adopt a Resolution Approving the Disposition Process for the Sale of the North-South Parking Parcel located at 4911 Great America Parkway [APN: 104-43-051]

BACKGROUND

In February 2018, the Oversight Board authorized the Successor Agency to engage the services of Eastdil Secured (Eastdil) to provide brokerage and real estate advisory services for the North South Parcel located at 4911 Great America Parkway [APN: 104-43-051] and authorized the Evaluation Team to approve the sales process for the property based upon recommendations from Eastdil.

At the conclusion of a two month solicitation and bidding process conducted by Eastdil, Jamestown Realty was selected at the highest bidder on April 26, 2018 with an offer to purchase the property at \$5,150,000.49. On May 25, 2018, the City of Santa Clara made an offer to purchase the North South Property at a price of \$5,745,000. A summary report from Eastdil of the bidding process is attached.

On May 29, 2018 the Oversight Board directed the Evaluation Team to convene and prepare a recommendation on a last and final disposition process for the North South Property for Oversight Board consideration.

DISCUSSION

On May 30, 2018, Eastdil and the Evaluation Team discussed a disposition process for the North South property and recommend the following:

- **Bidding Participants:** Outreach will be made by Eastdil to all six bidders who previously participated in the sale process. Bidders include: AVG; Crown; Jamestown; Stanford Hotels; County of Santa Clara; and City of Santa Clara.
- **Bidding Instructions:** Bidders are requested to provide a signed acknowledgement of bidding instructions by June 13, 2018. Each entity will be sent an execution-ready copy of the Purchase and Sale Agreement.
- **Sealed Bid Submittal:** Bidders will be required to provide a \$500,000 deposit check together with an unmodified (with the exception of the purchase price) and executed Purchase and Sale Agreement. Sealed bids will be submitted to Eastdil's San Jose Office.
- **Minimum Bid:** The minimum bid is \$5,745,000. Instructions to the bidders require the indicated purchase price be to the nearest 1/100th decimal.

- Purchase and Sale Agreement (PSA): The form of PSA is attached. Key terms of the PSA include: 1) a non-refundable deposit of \$500,000 to be deposited into escrow, three days following the execution of Purchase and Sale Agreement; 2) no due diligence/contingency period; and 3) closing to occur fifteen (15) days following the execution of the PSA.
- Due Date: All bids are due to Eastdil by 12:00 pm on June 21, 2018. Bids will be opened at 4:00pm on June 21, 2018 at Santa Clara City Hall.

It is anticipated that a request to the Successor Agency/City Council for Executive Officer/City Manager authority to execute the North South PSA will be scheduled in early July following June 29 Oversight Board meeting authorizing the sale to the highest bidder.

Under this timeline, escrow is anticipated to close by July 31, 2018.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines section 15378(a) as it has no potential for resulting in either direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment

FISCAL IMPACT

There is no fiscal impact associated with this item other than administrative cost and expense.

PUBLIC CONTACT

Public contact was made by posting the Oversight Board agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

ALTERNATIVES

1. Adopt a Resolution approving the disposition process for the North South Parcel located at 4911 Great America Parkway [APN: 104-43-051]
2. Direction to the Evaluation Team regarding an alternate process; expansion of the marketing effort; or other direction deemed appropriate by the Oversight Board.

RECOMMENDATION

Alternative 1:

1. Adopt a Resolution approving the disposition process for the North South Parcel located at

4911 Great America Parkway [APN: 104-43-051]

Reviewed by: Ruth Shikada, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution approving the disposition process for the North South Parcel located at 4911 Great America Parkway [APN: 104-43-051]
2. Eastdil Market Process Overview
3. Eastdil Bidding Instructions
4. Form of Purchase and Sale Agreement