

CHARTER SECTION 714
Process for the Sale
of City Property

Subject: Sale of portions of Fremont Street and Sherman Street at 575 Benton Street and surrounding properties.

Bidding process:

1. Announce that the bidding process for the portions of Fremont Street and Sherman Street ("City Property") is open;
2. Announce that the price offered for the portions of Fremont Street and Sherman Street was \$920,000 cash plus \$8,600,000 for utility relocation (total of \$9,520,000) and that Prometheus Real Estate Group is the lead bidder for the City Property and has offered \$920,000 cash plus \$8,600,000 for utility relocation (total of \$9,520,000);
3. Announce that a Notice of Intention to Sale was published in the Legal Notices section of the Santa Clara Weekly for two consecutive weeks;
4. Verify with the City Clerk that the required deposit of \$46,000, or 5% of the initial cash price of the bid, has been received.
5. Ask if there are any over-bidders in the audience. The minimum overbid must be at least 5% above the offering total price, or \$9,996,000 (\$1,396,000 cash plus \$8,600,000 for utility relocation). Prior to making a bid, any potential over-bidder other than Prometheus must present the City Clerk with a certified check or cashier's check for 5% of the required overbid cash price, or \$69,800. **(If there are no over-bidders, move to step 9);**
6. If an initial over-bid is made, announce that any additional bids must be made in increments of at least \$1,000 greater than previous bid;
7. If an over-bid is successful, the Mayor should hold the bid in abeyance for a future Council meeting to allow staff to determine whether the over-bidder is qualified to purchase the City Property and to determine the creditworthiness of the over-bidder;
8. If an over-bid is successful, the over-bidder must deposit the difference, if any, between their initial bid deposit check and five percent (5%) of the final cash purchase price with the City Clerk no later than 5:00 p.m. on June 26, 2019; and
9. Declare the bidding process closed. Council may accept the highest bid, authorize the City Manager to execute such documents as may be necessary to convey the City Property to the successful bidder, and approve the vacation of portions of Fremont Street and Sherman Street. The Council may also order a new sale or withdraw the City Property from the sale.