



Agenda Report

18-770

Agenda Date: 5/29/2018

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

SUBJECT

Adopt a Resolution Approving a Purchase and Sale Agreement and Other Documents as Necessary Related to 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.

Following a solicitation and bidding effort conducted by Eastdil, on April 26, 2018, the Evaluation Team determined that Jamestown Realty Co., LLC (Jamestown) made the best offer with a combination of the highest purchase price of \$5,150,000.49 with competitive terms. A Purchase and Sale Agreement with Jamestown was presented to the City Council acting as the Successor Agency on May 8, 2018. The Council referred the item back to staff.

On May 18, 2018, the Santa Clara Oversight Board discussed the sale process of the North South Property. The Oversight Board was advised of the City of Santa Clara's interest in purchasing the Property and following, directed staff to schedule a special meeting of the Oversight Board as soon as possible to consider the Jamestown offer.

On May 22, 2018, the Santa Clara City Council noted and filed the Jamestown report and authorized the City Manager to make an offer to the Successor Agency to purchase the property. The Council also authorized City Manager execute a Purchase and Sale Agreement on behalf of the City as the Buyer of the Property and on behalf of the Successor Agency as the Seller and minor modifications to the form of agreement subject to the approval of the City Attorney.

An offer to purchase the North South Property from the City of Santa Clara was submitted to Eastdil on May 25, 2018 for \$5,745,000.00.

DISCUSSION

The form of Purchase and Sale Agreement (Agreement) for the North South Property is the same for the City of Santa Clara as the Buyer and Jamestown as the Buyer, with the exception of the purchase price.

Both Buyers have agreed to:

Deposit:	A non-refundable deposit of \$500,000 to be deposited into escrow, three days following the execution of Purchase and Sale Agreement.
Contingency Period:	None.
Closing:	Closing to occur fifteen (15) days following the execution of the Purchase and Sale Agreement.

The Oversight Board may consider both offers to purchase the North South Property. In evaluating the offers, it should be noted that the City of Santa Clara offer is higher than the Jamestown offer and the Santa Clara City Council acting as the Successor Agency has authorized the City Manager/Executive Officer to execute all documents necessary to close a sale with the City of Santa Clara. The City Manager/Executive Officer does not currently have authority from the City Council to execute the Jamestown Purchase and Sale Agreement or any other documents related to sale and close of escrow.

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

Since the Successor Agency retired all debt of the former Redevelopment Agency with the proceeds from the Gateway 2 sale in Fiscal Year 2016/17, sales proceeds not needed to pay closing costs will be distributed to the taxing entities.

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 authorizing the Successor Agency to enter into a Purchase and Sale Agreement with the City of Santa Clara for the North South Property and minor amendments as may be necessary to accomplish the transfer.
2. Adopt a Resolution authorizing the Successor Agency to enter into a Purchase and Sale Agreement with Jamestown Realty Co., LLC for the North South Property and minor amendments as may be necessary to accomplish the transfer.
3. Direction to the Evaluation Team regarding reopening the sale offer process, initiating a new disposition process, or other direction deemed appropriate by the Oversight Board.

RECOMMENDATION

Alternative 1:

Adopt a Resolution authorizing the Successor Agency to enter into a Purchase and Sale Agreement with the City of Santa Clara for the North South Property and non-substantive amendments as may be necessary to accomplish the transfer.

Reviewed by: Ruth Shikada, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution authorizing execution of a Purchase and Sale Agreement with the City of Santa Clara
2. Resolution authorizing execution of a Purchase and Sale Agreement with Jamestown
3. May 8, 2018 Successor Agency Jamestown Realty report
4. May 18, 2018 Oversight Board report regarding the status of the sale of the North South Property
5. May 22, 2018 City of Santa Clara/Successor Agency report authorizing the offer to purchase and the sale of the North South Property
6. City of Santa Clara offer to purchase and Purchase and Sale Agreement