

## **OVERSIGHT BOARD STAFF REPORT (Corrected)**

**MEETING DATE: October 23, 2015**

**ITEM VIA:** Report from Ad Hoc Committee of Oversight Board Regarding Results of Request for Proposals (RFP) Process for the Sale of Property No. 2 Listed on the Long Range Property Management Plan and Located at Northwest Corner Alder Drive and Barber Lane (APN 086-02-086), Milpitas, CA and Issuance of Second RFP for Sale of the Property.

### **RECOMMENDED ACTION:**

The Oversight Board Ad Hoc Committee recommends Adoption of Resolution No. 70 Rejecting Proposals Received from RFP Process for the Sale of Property No. 2 Listed on the Long Range Property Management Plan and Located at Northwest Corner Alder Drive and Barber Lane (APN 086-02-086), Milpitas, California and Approving Issuance of Second RFP for Sale of the Property.

### **BACKGROUND AND DISCUSSION:**

On June 29, 2015, the Oversight Board Ad Hoc Committee recommended and the Oversight Board adopted Resolution No. 64 which approved issuance of an RFP for Property No. 2 on the LRPMP located at northwest corner of Alder Drive and Barber Lane (APN 086-02-086). The proposals were due on September 30, 2015, at 5 p.m. Two proposals were received.

The Ad Hoc Committee reviewed the two proposals and determined they did not meet the requirements of the RFP. A summary of the review is set forth in Exhibit A to the attached resolution. Upon rejection, the one deposit received would be returned to the Proposer.

The Ad Hoc Committee conferred at length as to the issuance of a Second RFP. In summary, the proposed second RFP:

- (i) Has been reformatted for easier reading and convenience of Proposers.
- (ii) Clarifies language to aid potential Proposers.
- (iii) Updates statutory requirements for the sale (under SB 107 only submittal of the award to DOF is required not approval).
- (iv) Requires an Initial Deposit of \$250,000.

- (v) Increases the minimum offer to \$6.5 Million.
- (vi) Provides for a longer Due Diligence Period (120 days vs. 30 days with a sliding scale for return of the Initial Deposit and Additional Deposit during the 120 days).
- (vii) Original proposals must be delivered to the Successor Agency with simultaneous email copy to the Successor Agency and to Special Counsel Montoy.
- (viii) Under reserved rights, includes language that the terms and conditions of a proposal may be negotiated with one or more Proposers.

As with the prior RFP process, the plan is for wide distribution of the RFP as that is in the best interest of the Successor Agency and Taxing Entities. In that regard, upon the Oversight Board's approval of Resolution No. 70, the Successor Agency and the County of Santa Clara will cause the distribution of the RFP. The RFP will also be posted on the Oversight Board and Successor Agency websites. The Ad Hoc Committee will review proposals received and make recommendations to the Oversight Board.