

RESOLUTION NO. 77

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MILPITAS REDEVELOPMENT AGENCY APPROVING A NEW REQUEST FOR PROPOSALS (RFP) FOR THE SALE OF PROPERTY LOCATED AT 86 N. MAIN STREET, MILPITAS, CALIFORNIA (APN 028-24-025) AND LISTED ON THE LONG RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 1

WHEREAS, the Oversight Board to the RDA Successor Agency for the City of Milpitas (“Oversight Board”) has been established to direct the RDA Successor Agency for the City of Milpitas (“Successor Agency”) to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the California Health and Safety Code; and

WHEREAS, among the duties of successor agencies under the Dissolution Act is the preparation of a long-range property management plan (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agency for consideration by a local oversight board and California Department of Finance (“DOF”); and

WHEREAS, the LRPMP for the Successor Agency was approved by the Oversight Board on February 10, 2015, and by DOF on March 9, 2015; and

WHEREAS, the LRPMP identifies properties as assets of the Successor Agency that the Successor Agency is to sell; and

WHEREAS, the Oversight Board approved an Appraisal Contract with Valbridge Property Advisors on December 2, 2014, which provides for appraisal of properties listed on the LRPMP; and

WHEREAS, the Oversight Board has authorized a Request for Proposals (“RFP”) process to solicit offers for the disposition of the properties; and

WHEREAS, at its meeting of April 8, 2015, the Oversight Board designated an Ad Hoc Committee of the Board to oversee the RFP process and present RFPs to the Oversight Board for approval; and

WHEREAS, on May 12, 2015, the Oversight Board Ad Hoc Committee recommended and the Oversight Board adopted Resolution No. 61 which approved issuance of an RFP for Property No. 1 on the LRPMP located at 86 N. Main Street (APN 028-24-025); and

WHEREAS, no proposals were received as a result of that RFP process; and

WHEREAS, a second RFP has been prepared which clarifies language for potential Proposers, updates statutory requirements for the sale, increase the response period from 30 days to 60 days, reduces the Initial Deposit from \$25,000 to \$10,000, increases the Due Diligence Period from 30 days to 60 days; provides for the filing of original proposals with the Successor Agency, and includes text regarding cooperation on sharing of Broker's Fees; and

WHEREAS, a new RFP for Property No. 1 has been prepared as set forth above and is attached as Exhibit A.

NOW, THEREFORE, the Oversight Board of the former Milpitas Redevelopment Agency resolves as follows:

Section 1. The recitals set forth above are true and correct and are incorporated herein by reference.

Section 2. The Oversight Board approves issuance of the Request for Proposals attached as Exhibit A for property located at 86 N. Main, Milpitas, California (APN 028-24-025) and listed on the LRPMP as Property No. 1. The RFP shall be posted and issued no earlier than sixty (60) days from the date of approval of this resolution. The Chair of the Oversight Board, the Successor Agency may collectively make technical, clerical, and formatting edits to the RFP.

PASSED AND ADOPTED on February 19, 2016, by the following vote:

AYES: Knopf, McInerney, Mendizabal, Morreale, Polanski, Carrig & Williams

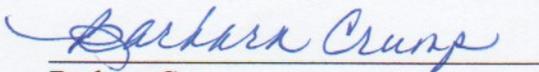
NOES: 0

ABSENT: 0

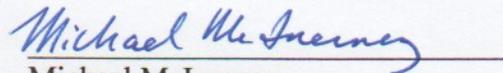
ABSTAIN: 0

ATTEST:

APPROVED:



Barbara Crump
Oversight Board Secretary



Michael McInerney
Oversight Board Chair

EXHIBIT A TO RESOLUTION 77

**REQUEST FOR PROPOSALS (RFP)
SUCCESSOR AGENCY OF THE FORMER
REDEVELOPMENT AGENCY OF
THE CITY OF MILPITAS**

**Sale of Real Property
86 N. Main Street
APN 028-24-025
Milpitas, CA 95035**

Proposals due NLT 5:00 P.M., PST, June 18, 2016

**86 N. Main Street
APN 028-24-025
Milpitas, California 95035**

INTRODUCTION

This is a second Request for Proposals (RFP) by the Successor Agency to the Redevelopment Agency of the City of Milpitas ("Successor Agency") inviting proposals from qualified Proposers to purchase property located in the City of Milpitas at 86 N. Main Street (APN 028-24-025) ("Site"). No proposals were received from the first issuance. Among other things, this RFP clarifies language, updates statutory requirements for the sale, reduces the deposit amount, and provides for a longer Due Diligence Period. A Site View of the Property is attached at the end of this RFP as "Attachment A."

The former Redevelopment Agency of the City of Milpitas owned the property until the Redevelopment Agency was dissolved pursuant to Assembly Billx1 26 ("ABx1 26"). The Successor Agency is now responsible for disposing of the property which was included in the Successor Agency's Long Range Property Management Plan.

DUE DATE AND TIME

Proposals are due not later than **TUESDAY, JUNE 18, 2016, AT 5 P.M.**

BACKGROUND

Milpitas is a general law city incorporated in 1954 and has grown from the "Little Cornfields" then to a major city with over 70,000 people now. The City is conveniently located beside Silicon Valley's east foothills, where there are endless opportunities, civic pride and the ease of 'one-stop' living.

The Site is located within the former Milpitas Redevelopment Area and was owned by the former Redevelopment Agency, which purchased the property on December 20, 2004.

ABX1 26 amended by AB 1484 and SB 107 (collectively the "Dissolution Law") and codified in the California Health & Safety Code dissolved redevelopment agencies in California as of February 1, 2012. Pursuant to the Dissolution Law, all non-housing properties owned by the Redevelopment Agency were transferred to the Successor Agency. The Successor Agency addressed the disposition of the subject property in its Long Range Property Management Plan ("LRPMP") which was approved by the California Department of Finance on March 9, 2015. The Successor Agency is now seeking a qualified Proposer to purchase the Site.

The Dissolution Law provides for oversight of Successor Agency wind-down activities by an Oversight Board comprised of seven members. The Successor Agency will

review the proposals and transmit its recommendations to the Oversight Board. An Ad Hoc Committee of the Oversight Board will also review the proposals and make recommendations to the Oversight Board. The Oversight Board will hold a public meeting to consider recommendations and will take action on the recommendations. The Oversight Board's action on approval of a proposal will be submitted to the California Department of Finance.

PROPOSAL REQUIREMENTS

1. The Successor Agency is seeking proposals from qualified Proposers to purchase the Site at not less than fair market value.
2. Completing the property sale in a timely manner is especially important to the Successor Agency and the Oversight Board.
3. Closing shall be on an all-cash basis, not later than ninety (90) days following approval of the Proposer's offer by the Oversight Board.
4. Sale of the property is to be done expeditiously and in a manner aimed at maximizing the value to the taxing entities.
5. No warranty, express or implied, other than clean title will be provided by Seller.
6. Proposals are required to meet the requirements of this RFP.

PROPERTY DATA

1. The Site is located at 86 N. Main, Milpitas, California, 95035.
2. The Site consists of Assessor Parcel Number 028-24-025.
3. The Site is vacant and there is no current or planned use for the property.
4. The Site is zoned "Mixed Use" by the City of Milpitas. Proposers shall familiarize themselves with all City of Milpitas' zoning and entitlement issues relating to the site, and make an independent determination of whether the site can be developed for the purpose intended by the Proposer.
5. Zoning and Planning Ordinances are found in the Milpitas Municipal Code and which, along with the General Plan, may be accessed at <http://www.ci.milpitas.ca.gov/government/planning/default.asp>.
6. The Site is approximately 60.44' x 104.98' in size.

MATERIALS REQUIRED TO BE SUBMITTED

1. The prospective Proposer shall:
 - Submit one (1) original mailed or delivered Proposal together with the attached original Cashier's Check for the Deposit (described below) to:

Tom Williams
City Manager
City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035-5479

AND the prospective Proposer shall also:

- Simultaneously submit an emailed copy of the Proposal with a scanned copy of the Cashier's Check for the Deposit as follows:
 - To Tom Williams, City Manager, at twilliams@ci.milpitas.ca.gov. **AND**
 - To Hilda Cantú Montoy, Oversight Board Counsel at: hildac@montoylaw.com.

In order to be considered responsive, the mailed and/or delivered copy and check and the e-mailed copies must all be received **not later than 5:00 PM on June 18, 2016**. Proposers are encouraged to submit their proposals early so as not to risk unanticipated delays that could invalidate their offer and to utilize delivery confirmation services.

All Proposals should include the following sections in the order enumerated below:

2. PURCHASE PRICE AND FINANCIAL CAPACITY

The Proposal shall include the following information:

- a. An all-cash purchase price offer and information supporting the offer.
Note: Per Dissolution Law, the property must be sold at not less than fair market value.
- b. Proof of the Proposer's financial capacity to purchase the property and readiness to proceed.
- c. Proposer Information
 - (i) Name, address, phone and fax numbers for the lead Purchasing Entity (e.g., corporation, joint venture, limited partnership, etc.) and date of legal establishment.
 - (ii) Name, title, address, phone and fax numbers, and email address of the person designated as the Primary Contact for the Purchasing Entity.
 - (iii) Other relevant information responsive to this RFP.

3. TERMS AND CONDITIONS

The Proposal shall include:

a. Acceptance of the requirements and the terms and conditions of sale set forth in this RFP.

b. Initial Deposit: A deposit of ten thousand dollars (\$10,000) in the form of a Cashiers' Check shall be attached to the written offer, made out to the "Successor Agency to the Milpitas Redevelopment Agency." No other form of an initial deposit will be accepted. Only the Successful Proposer's check will be deposited. All other Initial Deposit Checks will be returned to the respective Proposer uncashed.

c. Additional Deposit: Within ten (10) business days from the execution of the Purchase Sale Agreement by the Successful Proposer and the Successor Agency, the Successful Proposer will be required to increase the deposit to ten percent (10%) of the purchase price.

d. Within ten (10) days of approval by the Oversight Board, the Successful Proposer shall execute a Purchase and Sale Agreement for the Property reflecting the terms approved by the Oversight Board which shall be in substantial conformance to that attached hereto. The Purchase and Sale Agreement shall provide for a sixty (60) day Due Diligence Period. The Due Diligence Period shall commence upon full execution of the Purchase Sale Agreement by the parties.

e. The full Initial Deposit and Additional Deposit (hereafter collectively called "DEPOSIT") shall be refunded upon notification by the Successful Proposer within the sixty (60) days of the Due Diligence Period that it is cancelling the contract.

f. Upon release of the Due Diligence Contingency, if the Successful Proposer has not cancelled the contract by that date, the DEPOSIT shall be non-refundable. If the Purchase and Sale Agreement is not cancelled by the Successful Proposer, the Proposer will be responsible for purchasing the Site on an all cash basis with closing to occur not later than ninety (90) days following approval of the Proposer's offer by the Oversight Board.

NOTE: Proposals may include a proposal for the sharing of Broker's Fees between the Successor Agency and the Successful Proposer (Buyer). Any potential sharing will be solely between the Successful Proposer and the Successor Agency as approved by the Oversight Board. There is not and will not be any privity of contract between the Successor Agency and any broker.

SELECTION CRITERIA

All statements and numbers submitted in response to this RFP will be reviewed and evaluated by the Successor Agency and the Oversight Board. It is anticipated that the Oversight Board will make its determination as to the Successful Proposer within thirty (30) days after the proposals are received.

Proposals for this Site will be evaluated on completeness, the purchase price, and whether they meet the requirements set forth in this RFP.

RIGHTS RESERVED

The Successor Agency and Oversight Board retain the right to:

- Reject any and all proposals;
- Reject conditional or incomplete proposals or any proposal containing alterations of form or additions not called for, or irregularities of any kind;
- Determine which proposal, if any, is the best;
- Waive any irregularity in any proposal;
- Withdraw any and all of the described real property from the market;
- Approve the final Purchase and Sale Agreement; and
- Negotiate terms and conditions of a proposal with one or more Proposer.

Issuance of this RFP does not commit the Successor Agency or Oversight Board to select a proposer, pay any costs incurred in the preparation of a response to the RFP, award any contract or rights, or take any further actions regarding sale of the Property.

QUESTIONS; CORRESPONDENCE

Questions regarding this RFP shall be submitted in writing as follows:

- Hilda Cantú Montoy, Oversight Board Special Counsel, is the contact for questions regarding the RFP and RFP process. Her email address is Email: hildac@montoylaw.com.
- Bill Ekern, City of Milpitas Planning and Neighborhood Services Director, is the contact for land use and development-related questions in the City of Milpitas. His email address is bekern@ci.milpitas.ca.gov.

ATTACHMENT A

SITE VIEW

