

Approve the Purchase and Sale Agreement for the Purchase of 725 Kifer Road

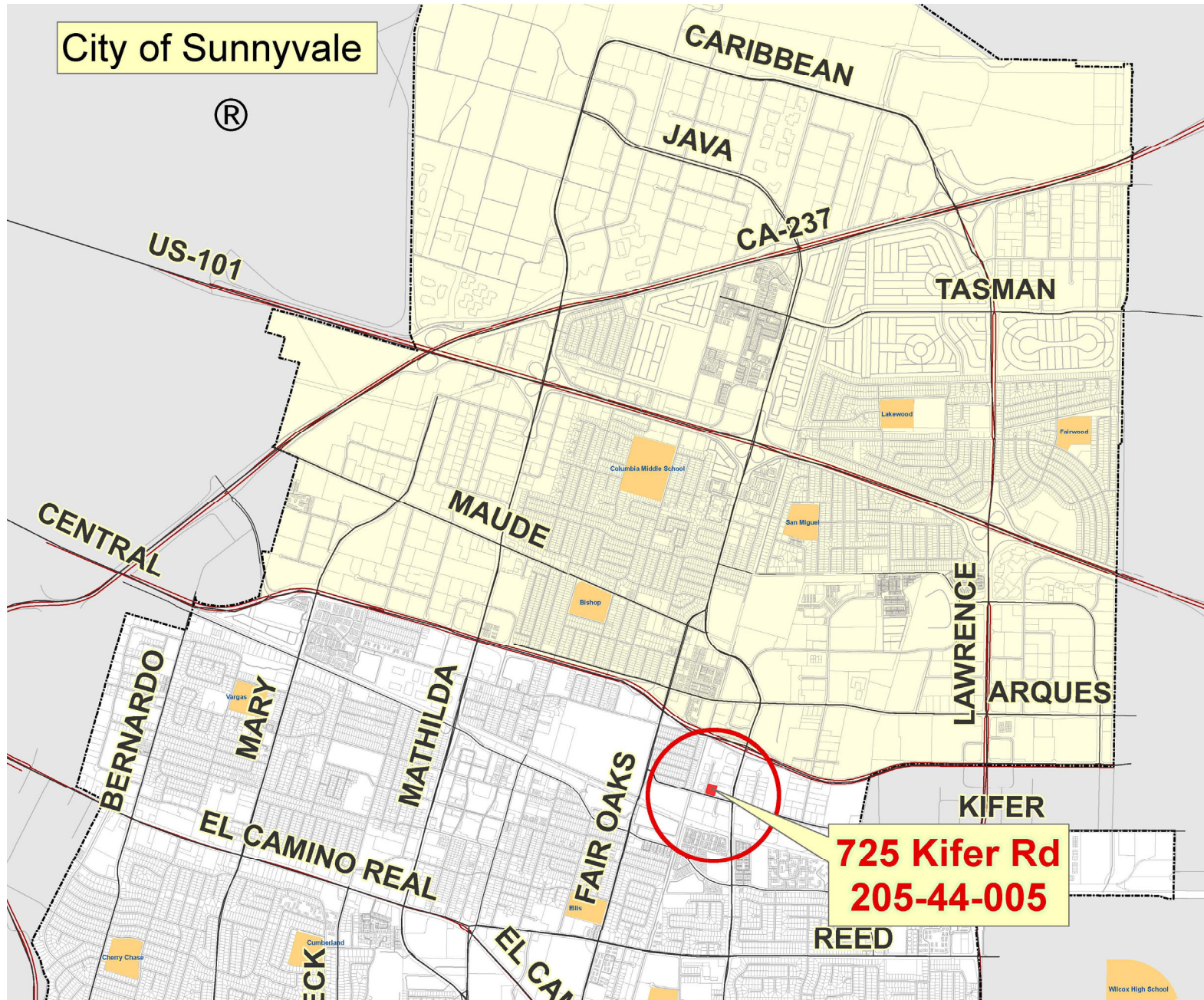


Sunnyvale

**City Council Public Meeting
October 29, 2019**

Presented by: Chip Taylor
Director of Public Works

Location



Location



Background

- Owned by Sunnyvale Community Services (SCS)
- SCS provides services to the public
- SCS would like to expand their services
- SCS is buying another property in Sunnyvale on Kern Ave



Context

- **SCS funding for Kern Property**
 - **Net proceeds Kifer Road sale**
 - **Community donations**
 - **Commercial lender loan**
 - **Community Development Block Grant from the City (“CDBG loan”)**
- **CDBG loan approval on December 10**
- **Funds used for CDBG loan is from Kifer sale**
- **Kifer closing will be before Kern to accommodate timeline**

Acquisition Terms

- **Purchase Price \$5,800,000**
- **Property As-Is**
- **Deposit \$100,000**
- **Closing on November 26, 2019**
- **Closing conditional on proof of funds available to close Kern except net proceeds of Kifer and CDBG loan**
- **Nominal lease back for a year**
- **Lease can be extended for up to 18 months**
- **SCS responsible for all maintenance and utilities**

Alternatives

- **Authorize City Manager to execute the Purchase and Sale Agreement, including the lease as in Exhibit D, and approve Budget Modification No. 10 in the amount of \$5,830,000**
- **Council directs staff to negotiate different terms as determined by Council**
- **Council does not approve the Purchase and Sales Agreement or the lease in Exhibit D**

Recommendation

Authorize City Manager to execute the Purchase and Sale Agreement, including the lease as in Exhibit D, and approve Budget Modification No. 10 in the amount of \$5,830,000