

November 9, 2005

TO: John Szerlag, City Manager

FROM: John Lamerato, Assistant City Manager
Doug Smith, Real Estate and Development Director

RE: AGENDA ITEM: Ford and Earl Property

As you requested, the following is an update on the status of the Ford and Earl property. Approximately four years ago, the Pension Board purchased the Ford and Earl property adjacent to the civic center site. As part of the initial sale, there was a four-year lease arrangement with Ford and Earl that terminates in early January, 2006.

After discussions earlier this year with Ford and Earl, there was no extension of their lease agreement and therefore the Pension Board pursued a lease or sale of the building and property. Friedman Realty was hired to market the property and provide professional advice on our lease or sale of the property.

As the property was marketed over the last sixty days, discussions with Sunstone, owner of the Marriott, have resulted in an offer that the Pension Board is favorably considering. Their initial plans call for additional rooms and expanded conference space. It is a market appropriate offer and reflects a reasonable return on the investment for the Pension Board.

DS/bh