TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: ADMINISTRATIVE SERVICES
DATE: FEBRUARY 4, 2008 CMR: 129:08
SUBJECT: GIFT TO THE CITY FROM FRED S. AND MOYA M. EYERLY

RECOMMENDATION
This is an information report and no action is required.

BACKGROUND
On December 19, 1995, Council accepted a gift to the City from Fred S. and Moya M. Eyerly of their Palo Alto condominium located at 101 Alma Street, Palo Alto and approved an agreement outlining terms of this unique and generous gift. Mr. and Mrs. Eyerly were both very active in City and community affairs, including the Elizabeth F. Gamble Garden Center and Avenidas (formerly the Senior Center). Fred Eyerly served on the City Council from 1975 to 1983 and as the City’s Mayor in 1982. Under the terms of the Agreement, Mr. and Mrs. Eyerly deeded their property to the City and kept a life estate for themselves until the death of the last remaining spouse. At that time, the City would sell the property and deposit the proceeds into a fund to be known as the “Eyerly Fund.” The income from the Eyerly Fund, after expenses, would be distributed by the City annually as follows:

1. To the City of Palo Alto, to recognize outstanding achievement of Utilities Department staff;

2. To the Palo Alto Senior Coordinating Council of the Palo Alto Area, Inc. (now Avenidas); and

3. To the Elizabeth F. Gamble Garden Center.

Mr. Eyerly passed away in May of 2000, and Mrs. Eyerly passed away in June 2007.

DISCUSSION
The Agreement provides that at the death of the donors, the City take possession of the property and list it for sale. Following Mrs. Eyerly’s death in June 2007, staff listed the property with a major local real estate company following interviews with the 3 real estate agents who had experience selling condominiums equivalent to 101 Alma. The property sold for $750,000 on December 18, 2007. After the deduction of expenses such as asbestos removal, repainting,
association dues and closing costs, staff anticipates the remaining amount to be invested in the Eyerly Fund will be approximately $685,000. The Fund will be administered by the City in accordance with the Agreement, whereby income from the fund will be distributed annually to the City of Palo Alto Utility Department for employee achievement, Avenidas and the Gamble Garden Center. Staff estimates that the Eyerly Fund will produce an annual income to each of the three entities of approximately $10,000, thus continuing the significant contribution of Mr. and Mrs. Eyerly to the community for many years to come.

RESOURCE IMPACT
The Agreement provides that the City shall be entitled to reasonable compensation for its administration of the Fund, which would be payable out of the Fund prior to the annual distribution of income. Therefore, the gift will have no significant fiscal impact on the City.

POLICY IMPLICATIONS
This very generous gift from Mr. and Mrs. Eyerly has been accepted and acknowledged in accordance with the City’s Policy and Procedures 1-18, “Gifts to the City.” The proceeds from the sale of the property will be invested and administered in accordance with the Agreement.

ENVIRONMENTAL REVIEW
This is not a project for purposes of the California Environmental Quality Act under Public Resources Code Section 21065. Therefore, no environmental assessment is required.

PREPARED BY: __________________________________________
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cc: Mr. Fred Eyerly
Gamble Gardens
Avenidas
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