

Meeting Date: 2/22/11

# AGENDA REPORT

Agenda Item # 6D

City of Santa Clara, California



**Date:** February 15, 2011

**To:** City Manager for Council Action

**From:** Administrative Analyst to the City Manager

**Subject:** Adoption of 1) Resolution to Approve Public Improvements Grant and Cooperation Agreement for Construction of a Library in the Bayshore North Redevelopment Project Area, and 2) Resolution to Approve Public Improvements Grant and Cooperation Agreement for Infrastructure Improvements in the Bayshore North Redevelopment Project Area

**EXECUTIVE SUMMARY:**

The Redevelopment Agency is proposing to fund a variety of public infrastructure projects to be developed by the City and to assist the City in the development of the North Bayshore Library Public Building with tax increment generated from the Bayshore North Redevelopment Project Area. The Agency's use of funds as provided in this Agreement is authorized by the Redevelopment Law and development of these projects will benefit the Project Area and will assist in the elimination of blight in the Project Area.

Specific projects are identified in the Agency Implementation Plan, including the construction of a Library in the Bayshore North area, and major refurbishment and construction of various public infrastructure improvements in the Project Area. Due to the complexity of the projects and the varying funding sources, staff is recommending that the City and Agency enter into two agreements: Public Improvements Grant and Cooperation Agreement for Infrastructure Improvements in the Bayshore North Redevelopment Project Area, and Public Improvements Grant and Cooperation Agreement for Construction of a Library in the Bayshore North Redevelopment Project Area.

North Bayshore Library

The Agency is proposing to provide funding for the construction of a Library in the Bayshore North area to serve residents of the Project Area and to provide upgraded services to the growing population in the area. The Library will serve the Project Area as well as other areas of the City and in particular will provide needed public services to the Rivermark, Fairway Glen, Agnews, and other nearby neighborhood areas. The Agency is proposing to commit \$19.8 million of tax increment funds to the design and construction of the Library. Assistance to the Library is provided for in the Redevelopment Plan and is consistent with the Implementation Plan and was specifically described in an Implementation Plan prepared by the Agency prior to July 1, 2009. The Library funding is also included in the Agency Capital Improvement Budget.

The Agency's financial assistance to the construction of the Library will eliminate blight in the Project Area by providing necessary public resources to Project Area residents as well as the surrounding area. Residential development in and around the Project Area has resulted in the need for additional public services including library facilities. The current library facilities are inadequate to serve both the residential population in the Project Area as well as the daytime population generated by businesses in the Project Area.

City Manager for Council Action

Adoption of 1) Resolution to Approve Public Improvements Grant and Cooperation Agreement for Construction of a Library in the Bayshore North Redevelopment Project Area, and 2) Resolution to Approve Public Improvements Grant and Cooperation Agreement for Infrastructure Improvements in the Bayshore North Redevelopment Project Area

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The City of Santa Clara, like other cities in California, has very limited funds available to pay for new facilities and improvements. The City's current capital improvement needs far exceed available revenues and it is not likely that the City will have any available funds in the near future for projects such as the Library. State and federal funds are generally not available for the development of improvements such as the Library. Although the State in the past has provided some funds for the development of libraries through a library grant program, given the current State budget situation, it is highly unlikely that there will be any grant funds available for many years to come.

The redevelopment purpose of the Library is the elimination of blight and the provisions of needed public improvements and facilities to serve the Project Area. The Agency's assistance for the Library will accomplish the specific goals and objectives set forth in the Implementation Plan by providing the community and Project Area residents with a newly constructed public facility.

#### Infrastructure Improvements

Several Infrastructure Improvement Projects are identified in the Implementation Plan, including a new parking garage on Tasman Blvd, structural upgrades to the Convention Center parking structure, major renovations at Martinson's Day Care Center, and further extensions to the San Tomas Aquino Creek Trail. The Agency is proposing to provide funding for these improvements in order to provide upgraded services to the Project Area. The Infrastructure Improvement Projects are provided for in the Redevelopment Plan, and are consistent with the Implementation Plan. Implementation of the Infrastructure Improvement Projects will benefit the Project Area and will assist in the elimination of blight in the Project Area and the provision of affordable housing in the community.

The public improvements included in the Agreement are of benefit to the Project Area and will assist in elimination of blight by providing essential infrastructure improvements such as roadway upgrades, refurbishment of existing buildings, and improvements and related enhancements designed to attract new businesses to the Project Area by increased options for access to the area. There are no other means of paying for the costs of these improvements at this time. The improvements represent unfunded capital improvements in the City's capital improvement plan as a result of the lack of funds available in the City's General Fund. It is not expected that general fund revenues will be available in the near term to fund these types of improvements.

Many of these Infrastructure Projects have had environmental review under CEQA. Exhibit A to the Public Improvements Grant and Cooperation Agreement for Infrastructure Improvements lists the CEQA action taken for each project. Other projects are exempt from CEQA pursuant to categorical exemptions as noted on Exhibit A.

The Agency's use of funds as provided in these agreements is authorized by the Redevelopment Law, and the Agency and City Council have made all findings required under the Redevelopment Law for such use.

City Manager for Council Action

Adoption of 1) Resolution to Approve Public Improvements Grant and Cooperation Agreement for Construction of a Library in the Bayshore North Redevelopment Project Area, and 2) Resolution to Approve Public Improvements Grant and Cooperation Agreement for Infrastructure Improvements in the Bayshore North Redevelopment Project Area

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**ADVANTAGES AND DISADVANTAGES OF ISSUE:**

The development of the Library will assist in the elimination of blight in the Project Area. The Library will serve the Project Area as well as other areas of the City, and in particular will provide needed public services to the Rivermark, Fairway Glen, Agnews, and other nearby neighborhood areas. Adoption of the resolution to approve this agreement will help ensure the funds needed for construction of the Library are available. Carrying out the planned Infrastructure Improvement Projects will also assist in elimination of blight by providing essential infrastructure improvements such as roadway upgrades, refurbishment of existing buildings, and improvements and related enhancements designed to attract new businesses to the Project Area by increased options for access to the area.

There are no identified disadvantages.

**ECONOMIC/FISCAL IMPACT:**

Entering into agreements for the use of Agency funds in this manner will ensure that these future projects can be completed without the use of General Fund monies. The total amount of Agency funding is \$97,781,927, which includes \$19,800,000 for construction of the Library and \$78,981,927 for all other projects, the details of which are included in Exhibit A of the Public Improvements Grant and Cooperation Agreement. These projects are part of the previously approved Capital Improvement Budget for the Agency, along with the \$25 million for ongoing major needs in the Bayshore North Project Area.

**RECOMMENDATION:**

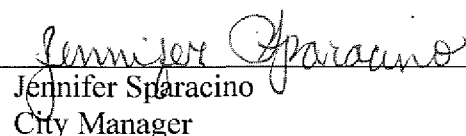
That the Council:

- 1) Adopt a resolution to approve the Public Improvements Grant and Cooperation Agreement for construction of a Library in the Bayshore North Redevelopment Project Area, and
- 2) Adopt a resolution to approve the Public Improvements Grant and Cooperation Agreement for infrastructure improvements in the Bayshore North Redevelopment Project Area.



Pamela J. Morrison  
Administrative Analyst to the City Manager

APPROVED:



Jennifer Sparacino  
City Manager

City Manager for Council Action

Adoption of 1) Resolution to Approve Public Improvements Grant and Cooperation Agreement for Construction of a Library in the Bayshore North Redevelopment Project Area, and 2) Resolution to Approve Public Improvements Grant and Cooperation Agreement for Infrastructure Improvements in the Bayshore North Redevelopment Project Area

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*Documents Related to this Report:*

- 1) *Resolution to Approve Public Improvements Grant and Cooperation Agreement for Construction of a Library in the Bayshore North Redevelopment Project Area*
- 2) *Public Improvements Grant and Cooperation Agreement for Construction of a Library in the Bayshore North Redevelopment Project Area*
- 3) *Summary Report Regarding Proposed Redevelopment Agency Funding Commitment for the Development of North Bayshore Library*
- 4) *Resolution to Approve Public Improvements Grant and Cooperation Agreement for Infrastructure Improvements in the Bayshore North Redevelopment Project Area*
- 5) *Public Improvements Grant and Cooperation Agreement for Infrastructure Improvements in the Bayshore North Redevelopment Project Area*

RESOLUTION NO. \_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CLARA, APPROVING THE PUBLIC IMPROVEMENT PROJECT AND COOPERATION AGREEMENT FOR THE CONSTRUCTION OF THE NORTH BAYSHORE AREA LIBRARY PROJECT AND MAKING CERTAIN FINDINGS RELATED THERETO**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA AS FOLLOWS:**

**WHEREAS**, the City Council (“City Council”) of the City of Santa Clara ( “City”) has adopted and amended, from time to time, the Redevelopment Plan (the “Redevelopment Plan”) for the Bayshore North Project, (the “Project Area”); and

**WHEREAS**, the Redevelopment Agency of the City of Santa Clara (“Agency”) is engaged in various activities in its efforts to remove the blighting conditions that still remain in the Project Area; and

**WHEREAS**, in keeping with the goals of the Agency to eliminate blight and reduce physical and economic blight in accordance with the Redevelopment Plan and the Agency’s current Implementation Plan (“Implementation Plan”), the City and the Agency have been working cooperatively regarding the development of certain public improvements and projects in the Project Area and the community; and

**WHEREAS**, due to the complexity of the projects and the varying funding sources, the Agency and the City mutually desire to enter into that certain Public Improvement and Cooperation Agreement for the North Bayshore Library Project (the “Agreement”), a copy of which is on file with the City Clerk and Agency Secretary through which the Agency shall pay for, and the City

shall construct the North Bayshore Area Library to alleviate blighting conditions in the Project Area and the community, as set forth in the proposed Agreement; and

**WHEREAS**, implementation of the Agreement will assist the Agency to accomplish the stated goals in the Redevelopment Plan and its current Implementation Plan as described in the staff report accompanying this Resolution (the "Staff Report"); and

**WHEREAS**, under the California Redevelopment Law (Health and Safety code Section 33100 et seq.; the "Law"), before the Agency can expend money for public improvements, the Agency and the City must make specified findings pursuant to Health and Safety Code Section 33445 if the project is inside or contiguous to the Project Area or if the project is located outside the Project Area but meets the exception set forth in Section 33445.1(d) of the Health and Safety Code; and

**WHEREAS**, pursuant to the Law, the Agency is authorized, with the consent of the City Council to pay for part, or all, of the costs of public improvements, including the publicly owned library buildings, that are of benefit to the Project Area; and

**WHEREAS**, no other reasonable means of financing the estimated cost of the public improvements are available to the City or the community; and

**WHEREAS**, the public improvements and projects to be funded pursuant to the Agreement were considered as part of the program Environmental Impact Report certified in conjunction with the adoption of Rivermark-Agnews West Campus Supplemental EIR dated May 2000 (the "Rivermark EIR"); and

**WHEREAS**, pursuant to Health and Safety Code Section 33679 the Agency duly noticed and conducted a public hearing prior to the adoption of this Resolution; and

**WHEREAS**, the Staff Report, the Redevelopment Plan, the report to City Council accompanying the Redevelopment Plan, the Rivermark EIR, and the Implementation Plan

provide additional information upon which the findings and actions set forth in this Resolution are based.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA AS FOLLOWS:**

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. In compliance with Section 33445 of the Law, with respect to the public improvements discussed in the Staff Report which are included in the Agreement and are located outside the Project Area, the City Council hereby finds that: (a) the acquisition of the land or the installation or construction of such public improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing for low- or moderate-income persons; (b) no other reasonable means of financing the acquisition of land or the installation or construction of such public improvements that are publicly owned are available to the community; (c) the appropriation and payment of funds by the Agency for the acquisition of land or the cost of such public improvements listed in the Agreement that are publicly owned is consistent with the Agency's current Implementation Plan; and (d) that the public improvements are listed in the Agency's Implementation Plan which was prepared by the Agency as of July 1, 2009, and thus pursuant to Section 33445.1(d) the remainder of the requirements contained in Health and Safety Code Section 33445.1 for projects located outside the Project Area are not applicable. These findings are based on the facts and analysis in the Staff Report incorporated in this Resolution.

3. The City Council hereby finds, for the following reasons, and based on the provision of CEQA (with particular reference to 14 California Code of Regulations, Section 15162), that the \_\_\_\_\_ EIR has served as the environmental documentation pursuant to CEQA for approval of this Resolution and the Agreement with respect to the public improvements identified in the Staff Report and included in the Agreement that were previously considered in the Rivermark EIR. The City Council further specifically finds that there have not been any of the following occurrences since the approval of the Rivermark EIR that would require a subsequent or supplemental environmental documents in connection with approval of this Resolution and the Agreement:
- a. there have not been substantial changes in the program analyzed in the Rivermark EIR which would require major revisions in the Rivermark EIR and the Mitigation Monitoring Program;
  - b. there have not been substantial changes with respect to the circumstances under which the program analyzed in the Rivermark EIR will be undertaken which would require major revisions in the Rivermark EIR and the Mitigation Monitoring Program; and
  - c. there has not been the appearance of new information which was not known and could not have been known as of the date of approval of the Rivermark EIR and the Mitigation Monitoring Program which is relevant to the approval of the Rivermark EIR and the Mitigation Monitoring Program as it relates to the Agreement.
4. The City Council consents to the Agency expenditures as called for in the Agreement for the public improvement projects and redevelopment projects and programs listed in the Agreement.



5. The City Council hereby approves the Agreement and authorizes the City Manager to enter into and execute the Agreement on behalf of the Agency for the funding and completion of the projects listed in the Agreement, substantially in the form on file with the Agency Secretary and the City Clerk, with such revisions as are reasonably determined necessary by the Agency signatory, such determination to be conclusively deemed to have been made by the execution of the Agreement by the Agency signatory. The City Manager is authorized to implement the Agreement and take all further actions and execute all other documents which are necessary or appropriate to carry out the Agreement.
6. The City Manager is hereby authorized and directed to file a Notice of Exemption/ Notice of Determination, as applicable, with respect to the Agreement in accordance with the applicable provisions of CEQA.
7. The City Manager is hereby authorized to take such further actions as may be necessary or appropriate to carry out the Agency's obligations pursuant to this Resolution and the Agreement.
8. The City Clerk shall certify to the adoption of this Resolution.
9. This Resolution shall take effect immediately upon adoption.
10. If any section, subsection, sentence, clause, phrase, or word of this resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution. The City Council of the City of Santa Clara hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 20 \_\_\_\_,

BY THE FOLLOWING VOTE:

|            |                 |
|------------|-----------------|
| AYES:      | COUNCIL MEMBER: |
| NOES:      | COUNCIL MEMBER: |
| ABSENT:    | COUNCIL MEMBER: |
| ABSTAINED: | COUNCIL MEMBER: |

ATTEST: \_\_\_\_\_  
ROD DIRIDON, JR.  
CITY CLERK OF THE  
CITY OF SANTA CLARA

Attachments Incorporated by Reference:

1. Public Improvement Project And Cooperation Agreement For The Construction Of The North Bayshore Area Library Project

PUBLIC IMPROVEMENTS GRANT AND  
COOPERATION AGREEMENT FOR THE CONSTRUCTION  
OF THE NORTH BAYSHORE AREA LIBRARY

This Public Improvements Grant and Cooperation Agreement For Construction of the North Bayshore Area Library (the "Agreement") is entered into as of \_\_\_\_\_, 2011 by and between the City of Santa Clara (the "City") and the Redevelopment Agency of the City of Santa Clara (the "Agency"), for purposes of funding acquisition, design and construction of a library in the North Bayshore Area by the City. The City and Agency have entered into this Agreement based on the following facts, understandings and intentions of the parties:

RECITALS

A. Pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the "Redevelopment Law"), the City Council of the City has adopted and the Agency is responsible for implementing the Redevelopment Plan (the "Redevelopment Plan") for the Bayshore North Project Area (the "Project Area").

B. To assist in implementing the Redevelopment Plan, the Agency has adopted a five (5)-year implementation plan (the "Implementation Plan") pursuant to Section 33490 of the Redevelopment Law.

C. The Agency is proposing to provide funding for the construction of a library (the "Library") in the area north of Bayshore to serve residents of the Project Area and to provide upgraded services to the growing population in the area. The Library will serve the Project Area as well as other areas of the City and in particular will provide needed public services to the Rivermark development area. The Agency is proposing to commit Nineteen Million Eight Hundred Thousand Dollars (\$19,800,000) of tax increment funds to the design and construction of the Library.

D. Assistance to the Library is provided for in the Redevelopment Plan and is consistent with the Implementation Plan and was specifically described in an Implementation Plan prepared by the Agency prior to July 1, 2009. The development of the Library will benefit the Project Area and will assist in the elimination of blight in the Project Area. The Agency's use of funds as provided in this Agreement is authorized by the Redevelopment Law, and the Agency and City Council have made all findings required under the Redevelopment Law for such use.

E. Pursuant to CEQA, the City (in its capacity as "lead agency") has prepared, reviewed, and certified that certain Final Environmental Impact Report, dated of May 2000 for the Rivermark-Agnews West Campus Supplemental EIIR (the "Final Environmental Impact Report"). The Final Environmental Impact Report has served as

the environmental documentation for the Agency and City's consideration and approval of this Agreement and the transactions contemplated by this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the City and the Agency agree as follows:

## ARTICLE 1 AGENCY GRANT

Section 1.1 Agency Grant. Subject to the terms and conditions of this Agreement, the Agency hereby grants to the City, and the City hereby accepts from the Agency, a grant (the "Grant") in an amount not to exceed Nineteen Million Eight Hundred Thousand Dollars (\$19,800,000) (the "Maximum Grant Amount"), for use by the City to complete the development of the Library.

Section 1.2 Grant Source. The sources of the Grant from the Agency to the City consist of:

(a) All funds currently held by the Agency (other than in the Agency's Low and Moderate Income Housing Fund) and not previously budgeted or appropriated for other activities, projects, or programs (the "Available Funds");

(b) All future tax increment revenue allocated to the Agency pursuant to the Redevelopment Plan and the Redevelopment Law and available to the Agency after the Agency: (1) makes all necessary annual payments with respect to then existing debt obligations of the Agency, including, without limitation, bonded indebtedness, pass-through payments owed to affected taxing entities under agreement or Sections 33607.5 or 33607.7 of the Redevelopment Law, written agreements with other persons or entities, deposits to the Agency's Low and Moderate Income Housing Fund pursuant to the Redevelopment Law, and any other statutorily required payment obligations of the Agency; and (2) sets aside a reasonable amount for Agency administration as mutually determined by the City and the Agency; and

(c) All net proceeds of bonded indebtedness or other indebtedness of the Agency that the Agency designates for payment of the amount owed under this Agreement (the "Bond Proceeds"); and

(d) All future proceeds from land sales or from lease revenues (the funds specified in this Section 1.2 shall be collectively referred to herein as the "Pledged Funds").

In no event shall the sum of the Pledged Funds exceed the Maximum Grant Amount. Notwithstanding Agency's pledge of funds for the Library, the parties acknowledge that the Agency has entered into other agreements with the City to fund various public improvements and to repay the City for land acquired by the Agency from

the City. The parties agree that the Agency may elect to pay the City some or all of those costs prior to paying the Pledged Funds to the City.

Section 1.3 Payment Procedure. The Agency shall pay the Available Funds to the City within ten (10) days of the City's request. The Agency shall pay the Pledged Funds to the City within ten (10) days after receipt of each installment of tax increment revenue in an amount equal to the portion of such tax increment revenue constituting Pledged Funds. Until needed to fund the Library, the City shall invest all Grant funds received from the Agency in the Local Agency Investment Fund or other comparable investment vehicle, and shall apply all interest earned thereon toward the cost of the Library. Any Grant funds held by or for the benefit of the City at the earlier of (a) completion of and payment for all of the Library or (b) the Plan Effectiveness Deadline (as defined in Section 2.1) shall be promptly reimbursed by the City to the Agency, and may thereafter be used by the Agency free of any obligation under this Agreement.

Section 1.4 Condition to Agency Disbursement. Notwithstanding the Agency's commitments contained herein, the Agency obligation to make any disbursement hereunder shall be conditioned on the adoption of an ordinance by the City, a so-called "SB 211 Ordinance", amending the Redevelopment Plan to eliminate the Agency's time limit for incurring indebtedness. This Agreement shall be effective as of the date first above written, however, the Agency shall not be required to make any advances to the City until the SB 211 Ordinance has been adopted by the City and is effective. The Agency acknowledges that the City is under no obligation to adopt the SB 211 Ordinance and this Agreement is not intended to limit, in any manner, the City's discretion in considering the adoption of the SB 211 Ordinance.

Section 1.5 Indebtedness of the Agency. Subject to the provisions of Section 1.4, the obligation of the Agency to pay the Pledged Funds to the City shall constitute an indebtedness of the Agency incurred in carrying out the Redevelopment Plan and a pledge of tax increment received by the Agency from the Project Area to repay such indebtedness under the provisions of Article XVI, Section 16 of the Constitution of the State of California, the Redevelopment Law, and the Redevelopment Plan.

Section 1.6 Subordination. The parties agree that the obligation of the Agency to make payments pursuant to this Agreement is subordinate to: (a) any obligation of the Agency to pay debt service on tax increment bonds, or any other loans or agreements, heretofore issued and secured by a pledge of and a lien upon tax increment revenue generated by the Agency in the Project Area; (b) any obligation of the Agency to pay debt service on tax increment bonds, or any other loans or agreements, hereafter issued, with the approval of the City, and secured by a pledge of and a lien upon tax increment revenue generated by the Agency in the Project Area; (c) any required deposits or related payments to the Agency's Low and Moderate Income Housing Fund; and (d) any pass-through payment obligation to affected taxing entities.

ARTICLE 2  
COMPLETION OF INFRASTRUCTURE IMPROVEMENT PROJECTS

Section 2.1 Use of Grant. The City shall use the Grant exclusively for the development of the Library in accordance with the terms and conditions of this Agreement. Among other activities, the City may use the Grant to pay costs of land acquisition, relocation, demolition, site preparation and remediation, design, and construction of the Library, and reasonable staff, consultant and other administrative costs in connection therewith. The City shall develop the Library in accordance with all applicable laws and regulations, including without limitation, laws and regulations related to competitive bidding of public works projects, payment of prevailing wages, non-discrimination, and the use of tax-exempt bond proceeds, if and to the extent such tax-exempt bond proceeds constitute a portion of the Grant funds. The City shall use the Grant funds for completion of the various Infrastructure Improvement Projects by not later than the deadline for effectiveness of the Redevelopment Plan (the "Plan Effectiveness Deadline"), as set forth in the Redevelopment Plan.

Section 2.2 Ongoing City Obligations. Following completion, the City shall be responsible for causing the operation and maintenance of the Library in accordance with City policies and standards for such improvements then in effect and as amended from time to time. The Agency's grant and the City's acceptance of the Grant shall not imply any ownership or responsibility for the Infrastructure Improvement Projects by the Agency, and the City shall retain any and all responsibility and liability for them.

Section 2.3 Indemnity. The City shall indemnify, defend, and hold the Agency, its officers, agents, and employees, harmless against all claims, demands, damages, losses, costs, expenses, including without limitation, attorneys' fees and costs of litigation, or liabilities made against them which arise out of, or in connection with, the construction or failure of the Infrastructure Improvement Projects; provided, however, that this indemnity shall not extend to any claim arising solely from the Agency's negligence or the Agency's negligent failure to perform its obligations under this Agreement.

ARTICLE 3  
GENERAL PROVISIONS

Section 3.1 Non-Liability of Officials. No member, official, employee or agent of the Agency shall be personally liable to the City, or any successor in interest, in the event of any default or breach by the Agency for any amount which may become due to the City or successor or on any obligation under the terms of this Agreement. No member, official, employee or agent of the City shall be personally liable to Agency, or any successor in interest, in the event of any default or breach by the City for any amount which may become due to the Agency or successor or on any obligation under the terms of this Agreement.

Section 3.2 Actions of the Parties. Except as otherwise provided in this Agreement, whenever this Agreement calls for or permits a party's approval, consent, or waiver, the written approval, consent, or waiver of the Agency's Executive Director and the City's City Manager (or their respective designees) shall constitute the approval, consent, or waiver of the Agency and the City, respectively, without further authorization required from the governing board of the party; provided, however, that the person vested with such authority may seek such further advice or authorization from the applicable governing board when she/he deems it appropriate.

Section 3.3 Nondiscrimination.

(a) In Performance of Agreement. The City and its contractors, subcontractors, agents, and employees shall not, because of the race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, age, or disability of any person, refuse to hire or employ the person, or refuse to select the person for a training program leading to employment, or bar or discharge the person from employment or from a training program leading to employment, or discriminate against the person in compensation or in terms, conditions or privileges of employment with respect to performance of this Agreement.

(b) With Respect to Use of the Library. The City covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, age, or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Infrastructure Improvement Projects.

Section 3.4 No Third Party Beneficiaries. No person or entity other than the Agency, the City and their permitted successors and assigns, shall have any right of action under this Agreement.

Section 3.5 State Law. This Agreement, and the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of California.

Section 3.6 Records. The City shall maintain complete and accurate financial accounts, documents and records with respect to the performance of its obligations under this Agreement, and shall make same available to the Agency's authorized agents for copying and auditing upon reasonable prior notice. Such accounts, documents and records shall be retained by the City for the longer of two (2) years following completion of the Library or whatever retention period the City has designated for such documents.

Section 3.7 Inspection of Documents. During the regular office hours and upon reasonable prior notice, the City and the Agency, by their duly authorized representatives, shall have the right to inspect and make copies of any books, records or reports of the other party pertaining to this Agreement.

Section 3.8 Additional Acts. The parties each agree to take such other and additional actions and execute and deliver such other and additional documents as may be reasonably requested by the other party for purposes of consummating the transactions contemplated in this Agreement.

Section 3.9 Litigation Regarding Agreement Validity. In the event litigation is initiated attacking the validity of this Agreement, each party shall in good faith defend and seek to uphold the Agreement.

Section 3.10 Validity of Agreement. If any provisions of this Agreement, or the application thereof to any person, party, transaction, or circumstance, is held invalid, the remainder of this Agreement, or the application of such provision to other persons, parties, transactions, or circumstances, shall not be affected thereby.

Section 3.11 Entire Agreement; Modification and Amendment. This Agreement contains all of the agreements and understandings of the parties pertaining to the subject matter contained herein and supersedes all prior or contemporaneous agreements, representations and understandings of the parties. This Agreement cannot be amended or modified except by written agreement of the parties.

Section 3.12 Defaults and Remedies. If either party breaches any other material provision of this Agreement, the other party shall first notify the breaching party in writing of the purported breach or failure, giving the breaching party thirty (30) days from receipt of such notice to cure or, if cure cannot be accomplished within thirty (30) days, to commence to cure such breach, failure, or act. In the event the breaching party does not then so cure within such thirty (30) days, or if the breach or failure is of such a nature that it cannot be cured within thirty (30) days, the breaching party fails to commence to cure within such thirty (30) days and thereafter diligently complete such cure within a reasonable time thereafter but in no event later than one hundred twenty (120) days, then the non-breaching party shall be afforded all of its rights at law or in equity, by taking all or any of the following remedies: (a) terminating in writing this Agreement (provided, however, that the indemnification provisions of this Agreement shall survive such termination); and (b) prosecuting an action for damages or specific performance.

Section 3.13 Binding Upon Successors. This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest and assigns of each of the parties to this Agreement. Any reference in this Agreement to a specifically named party shall be deemed to apply to any successor, heir, administrator, executor or assign of such party who has acquired an interest in compliance with the terms of this Agreement, or under law.

Section 3.15 Time Of The Essence. Time is of the essence in the performance of all duties and obligations under this Agreement.



IN WITNESS WHEREOF, this Agreement has been executed as of the date set forth in the opening paragraph of this Agreement.

Approved as to Form

**REDEVELOPMENT AGENCY OF THE  
CITY OF SANTA CLARA**

\_\_\_\_\_  
Elizabeth H. Silver  
Interim Agency General Counsel

\_\_\_\_\_  
Jennifer Sparacino  
Executive Director

Attest:

\_\_\_\_\_  
Rod Diridon, Jr.  
Agency Secretary

**CITY OF SANTA CLARA**

Approved as to Form

\_\_\_\_\_  
Elizabeth H. Silver  
Interim City Attorney

\_\_\_\_\_  
Jennifer Sparacino  
City Manager

Attest:

\_\_\_\_\_  
Rod Diridon, Jr.  
City Clerk

**SUMMARY REPORT PREPARED PURSUANT TO  
SECTION 33679 OF THE CALIFORNIA COMMUNITY REDEVELOPMENT  
LAW REGARDING PROPOSED REDEVELOPMENT AGENCY FUNDING  
COMMITMENT FOR THE DEVELOPMENT OF NORTH BAYSHORE  
LIBRARY**

This summary report has been prepared by the Santa Clara Redevelopment Agency ("Agency") pursuant to Section 33679 of the California Health and Safety Code regarding the Agency funding toward the development of a library north of Bayshore ("Public Building). The Agency is proposing to fund the Public Building with tax increment generated from the Bayshore North Redevelopment Project Area ("Project Area").

The Agency is proposing to provide funding for the construction of a Public Building in the area north of Bayshore to serve residents of the Project Area and to provide upgraded services to the growing population in the area. The Public Building will serve the Project Area as well as other areas of the City and in particular will provide needed public services to the Rivermark development area. The Agency is proposing to commit \$19,800,000 of tax increment funds to the development of the Public Building.

Under California Redevelopment Law, before the Agency can expend money for the Public Building, the Agency and the City Council must conduct a duly noticed public hearing pursuant to Health and Safety Code Section 33679 and make specified findings pursuant to Health and Safety Code Section 33445 and 33445.1. The Agency and City Council public hearing on the proposed Agency funding commitment for the Public Building has been duly noticed for 7 P.M., or as soon thereafter as the matter can be heard on February 22, 2011, in the City Council Chambers, 1500 Warburton Avenue, Santa Clara California. This summary report has been prepared in accordance with Health and Safety Code Section 33679 to provide specified information about the proposed Agency expenditure for the Public Building as background for the public hearing and consideration of this matter by the City Council and the Agency Board.

This report is organized into the following three sections:

- A. Estimates of the Amount of Agency Tax Increment Funding – This section includes estimates of the Agency's tax increment revenue proposed to be used to pay for Public Building as well as financing costs.
- B. Facts Supporting the Findings – This section sets forth the facts supporting the determinations that are required to be made pursuant to Section 33445 and 33445.1 of the Health and Safety Code.

C. Redevelopment Purpose – This section sets forth the redevelopment purposes of the project for which Agency funds are being used.

A. ESTIMATES OF THE AMOUNT OF AGENCY'S TAX INCREMENT TO BE USED FOR THE CONSTRUCTION OF THE PUBLIC BUILDING

The Agency is expected to use tax increment funds to pay for the costs of the construction of the Public Building. Estimated costs of the Public Building construction are \$19,800,000.

The Agency expects to fund the costs of construction for the Public Building with available bond proceeds set aside for this purpose, which will be repaid with tax increment generated from the Project Area.

B. FACTS SUPPORTING THE FINDINGS TO BE CONSIDERED PURSUANT TO HEALTH AND SAFETY CODE 33445 and 33445.1

The library project is located outside the Project Area but will be of benefit to the Project Area. Although the library project is located outside the Project Area, the findings specified in Health and Safety Code Section 33445.1 are not required. The library project was specifically described in the Agency's adopted Implementation Plan for the period of July 1, 2004 through June 30, 2014 which was adopted on June 15, 2004. Health and Safety Code Section 33445.1 provides that Section 33445.1 does not apply to any buildings or improvements that were specifically described in an Implementation Plan that was adopted prior to July 1, 2009.

1. Facts Supporting the Finding that the Public Building will Benefit the Project Area by helping to eliminate blight

The Agency's financial assistance to the construction of the Public Building will eliminate blight in the Project Area by providing necessary public resources to Project Area residents as well as the surrounding area. Residential development in and around the Project Area has resulted in the need for additional public services including library facilities. The current library facilities are inadequate to serve both the residential population in the Project Area as well as the daytime population generated by businesses in the Project Area.

2. Facts Supporting the Finding that there are No Reasonable Means of Financing for the Public Building

The City, like other cities in California, has very limited funds available to pay for new facilities and improvements. The City's current capital improvement needs far exceed available revenues and it is not likely that the City will have any available funds

in the near future for projects such as the Public Building. State and federal funds are generally not available for the development of improvements such as the Public Building. Although the State in the past has provided some funds for the development of libraries through a library grant program, given the current State budget situation, it is highly unlikely that there will be any grant funds available for many years to come.

3. Facts Supporting the Finding that the Payment of Agency Funds for the Public Building is Consistent with the Agency's Implementation Plan

The Agency assistance for the Public Building is consistent with the Implementation Plan adopted pursuant to Health and Safety Code Section 33490. The Implementation Plan was approved on August 18, 2009 and covers the period between July 1, 2009 to June 30, 2009. The Implementation Plan provides for the allocation of tax increment funds for the construction of the Public Building.

C. REDEVELOPMENT PURPOSE OF USING AGENCY'S TAX INCREMENT REVENUE TO PAY FOR THE PUBLIC BUILDING

The redevelopment purpose of the Public Building is the elimination of blight and the provisions of needed public improvements and facilities to serve the Project Area. The Agency's assistance for the Public Building will accomplish the specific goals and objectives set forth in the Implementation Plan by providing the community and Project Area residents with a newly remodeled and improved public facilities.

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CLARA, APPROVING A PUBLIC IMPROVEMENTS GRANT AND COOPERATION AGREEMENT FOR INFRASTRUCTURE IMPROVEMENTS FOR THE BAYSHORE NORTH REDEVELOPMENT PROJECT AREA AND MAKING CERTAIN FINDINGS RELATED THERETO**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA AS FOLLOWS:**

**WHEREAS**, the City Council (“City Council”) of the City of Santa Clara ( “City”) has adopted and amended, from time to time, the Redevelopment Plan (the “Redevelopment Plan”) for the Bayshore North Project, (the “Project Area”); and

**WHEREAS**, the Redevelopment Agency of the City of Santa Clara (“Agency”) is engaged in various activities in its efforts to remove the blighting conditions that still remain in the Project Area; and

**WHEREAS**, in keeping with the goals of the Agency to eliminate blight and reduce physical and economic blight in accordance with the Redevelopment Plan and the Agency’s current Implementation Plan (“Implementation Plan”), the City and the Agency have been working cooperatively regarding the development of certain public improvements in the Project Area and the community; and

**WHEREAS**, due to the complexity of the projects and the varying funding sources, the Agency and the City mutually desire to enter into a Public Improvements Grant and Cooperation Agreement for Infrastructure Improvements (the “Agreement”), a copy of which is on file with the City Clerk and Agency Secretary through which the Agency shall pay for designated portions

of, and the City shall conduct, public improvement projects to alleviate blighting conditions in the Project Area, and the community, as set forth in the proposed Agreement; and

**WHEREAS**, implementation of the Agreement will assist the Agency to accomplish the stated goals in the Redevelopment Plan and its current Implementation Plan as described in the staff report accompanying this Resolution (the "Staff Report"); and

**WHEREAS**, under the California Redevelopment Law (Health and Safety code Section 33100 et seq.; the "Law"), before the Agency can expend money for public improvements, the Agency and the City must make specified findings pursuant to Health and Safety Code Section 33445; and

**WHEREAS**, pursuant to the Law, the Agency is authorized, with the consent of the City Council to pay for part, or all, of the costs of public improvements that are of benefit to the Project Area; and

**WHEREAS**, no other reasonable means of financing the estimated cost of the public improvements are available to the City or the community; and

**WHEREAS**, as further described in the attached Staff Report, certain of the projects to be funded pursuant to the Agreement have previously undergone environmental review pursuant to the California Environmental Quality Act ("CEQA"), certain of the projects were considered as part of the program Environmental Impact Report certified for the Bayshore North Area (the "Bayshore North EIR"), certain other projects were considered as part of the project Environmental Impact Report certified for the proposed 49ers Santa Clara Stadium Project at 4900 Centennial Boulevard (the "Stadium EIR"); and certain other projects were considered as part of the Mitigated Negative Declaration prepared for the San Tomas/Saratoga Creek project; and

**WHEREAS**, pursuant to State CEQA Guidelines certain of the projects to be funded pursuant to the Agreement are categorically exempt pursuant to CEQA Section 15301; and

**WHEREAS**, the Staff Report, the Redevelopment Plan, the report to City Council accompanying the Redevelopment Plan, the Bayshore North EIR, the Stadium EIR, the San Tomas/Saratoga Creek Mitigated Negative Declaration and the Implementation Plan provide additional information upon which the findings and actions set forth in this Resolution are based.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA AS FOLLOWS:**

1. That the Agency hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. In compliance with Section 33445 of the Law, with respect to the public improvements which are included in the Agreement and are located within the Project Area or contiguous to the Project Area, the City Council hereby finds that: (a) the acquisition of the land or the installation or construction of such public improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing for low- or moderate-income persons; (b) no other reasonable means of financing the acquisition of land or the installation or construction of such public improvements that are publicly owned are available to the community; and (c) the appropriation and payment of funds by the Agency for the acquisition of land or the cost of such public improvements listed in the Agreement that are publicly owned is consistent with the Agency's current Implementation Plan. These findings are based on the facts and analysis in the Staff Report incorporated in this Resolution.

3. The City Council hereby finds, for the following reasons, and based on the provision of CEQA (with particular reference to 14 California Code of Regulations, Section 15162), that the General Plan EIR has served as the environmental documentation pursuant to CEQA for approval of this Resolution and the Agreement with respect to those public improvements identified as Infrastructure Projects No. 9038, 9043, 9049, 9052,9057, 9058, 9059, 9073 on Exhibit A of the Agreement that were previously considered in the Bayshore North EIR. The City Council further specifically finds that there have not been any of the following occurrences since the approval of the Bayshore North EIR that would require a subsequent or supplemental environmental documents in connection with approval of this Resolution and the Agreement:

- a. there have not been substantial changes in the program analyzed in the General Plan EIR which would require major revisions in the Bayshore North EIR and the Mitigation Monitoring Program;
- b. there have not been substantial changes with respect to the circumstances under which the program analyzed in the Bayshore North EIR will be undertaken which would require major revisions in the Bayshore North EIR and the Mitigation Monitoring Program; and
- c. there has not been the appearance of new information which was not known and could not have been known as of the date of approval of the Bayshore North EIR and the Mitigation Monitoring Program which is relevant to the approval of the Bayshore North EIR and the Mitigation Monitoring Program as it relates to the Agreement.

4. The City Council hereby finds, for the following reasons, and based on the provision of CEQA (with particular reference to 14 California Code of Regulations, Section 15162), that



the Stadium EIR has served as the environmental documentation pursuant to CEQA for approval of this Resolution and the Agreement with respect to the public improvement identified as Infrastructure Project 9043 in Exhibit A of the Agreement that was previously considered in the Stadium EIR. The City Council further specifically finds that there have not been any of the following occurrences since the approval of the Stadium EIR that would require a subsequent or supplemental environmental documents in connection with approval of this Resolution and the Agreement:

- a. there have not been substantial changes in the program analyzed in the Stadium EIR which would require major revisions in the Stadium EIR and the Mitigation Monitoring Program;
- b. there have not been substantial changes with respect to the circumstances under which the program analyzed in the Stadium EIR will be undertaken which would require major revisions in the Stadium EIR and the Mitigation Monitoring Program; and
- c. there has not been the appearance of new information which was not known and could not have been known as of the date of approval of the Stadium EIR and the Mitigation Monitoring Program which is relevant to the approval of the Stadium EIR and the Mitigation Monitoring Program as it relates to the Agreement.

5. The City Council hereby finds, for the following reasons, and based on the provision of CEQA (with particular reference to 14 California Code of Regulations, Section 15162), that the San Tomas/Saratoga Creek Mitigated Negative Declaration has served as the environmental documentation pursuant to CEQA for approval of this Resolution and the Agreement with respect to the public improvement identified as Infrastructure Projects 9054 and 9069 in Exhibit A of the Agreement that was previously considered in the San

Tomas/Saratoga Creek Mitigated Negative Declaration. The City Council further specifically finds that there have not been any of the following occurrences since the approval of the San Tomas/Saratoga Creek Mitigated Negative Declaration that would require a subsequent or supplemental environmental documents in connection with approval of this Resolution and the Agreement:

- a. there have not been substantial changes in the program analyzed in the San Tomas/Saratoga Creek Mitigated Negative Declaration which would require major revisions in the Mitigated Negative Declaration;
  - b. there have not been substantial changes with respect to the circumstances under which the program analyzed in the San Tomas/Saratoga Creek Mitigated Negative Declaration will be undertaken which would require major revisions in the Mitigated Negative Declaration; and
  - c. there has not been the appearance of new information which was not known and could not have been known as of the date of approval of the San Tomas/Saratoga Creek Mitigated Negative Declaration and the Mitigation Monitoring Program which is relevant to the approval of the Mitigated Negative Declaration as it relates to the Agreement.
6. The City Council consents to the Agency's expenditures as called for in the Agreement for the public improvement projects listed in the Agreement.
  7. The City Council hereby approves the Agreement and authorizes the City Manager to enter into and execute the Agreement on behalf of the City for the funding and completion of the projects listed in the Agreement, substantially in the form on file with the Agency Secretary and the City Clerk, with such revisions as are reasonably determined necessary by the City signatory, such determination to be conclusively deemed to have been made by the execution

of the Agreement by the City signatory. The City Manager is authorized to implement the Agreement and take all further actions and execute all other documents which are necessary or appropriate to carry out the Agreement.

8. The City Manager is hereby authorized and directed to file the appropriate Notices of Exemption/ Notices of Determination with respect to the Agreement in accordance with the applicable provisions of CEQA.
9. The City Manager is hereby authorized to take such further actions as may be necessary or appropriate to carry out the City's obligations pursuant to this Resolution and the Agreement.
10. The City Clerk shall certify to the adoption of this Resolution.
11. This Resolution shall take effect immediately upon adoption.
12. If any section, subsection, sentence, clause, phrase, or word of this resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution. The City Council of the City of Santa Clara hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

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I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE \_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

BY THE FOLLOWING VOTE:

|            |                 |
|------------|-----------------|
| AYES:      | COUNCIL MEMBER: |
| NOES:      | COUNCIL MEMBER: |
| ABSENT:    | COUNCIL MEMBER: |
| ABSTAINED: | COUNCIL MEMBER: |

ATTEST: \_\_\_\_\_  
ROD DIRIDON, JR.  
CITY CLERK OF THE  
CITY OF SANTA CLARA

Attachments Incorporated by Reference:

1. Public Improvements Grant and Cooperation Agreement for Infrastructure Improvements For The Bayshore North Redevelopment Project Area

PUBLIC IMPROVEMENTS GRANT  
AND COOPERATION AGREEMENT FOR INFRASTRUCTURE IMPROVEMENTS IN  
THE BAYSHORE NORTH REDEVELOPMENT PROJECT AREA

This Public Improvements Grant and Cooperation Agreement For Infrastructure Improvements in the Bayshore North Redevelopment Project Area (the "Agreement") is entered into as of \_\_\_\_\_, 2011 by and between the City of Santa Clara (the "City") and the Redevelopment Agency of the City of Santa Clara (the "Agency"), for purposes of funding acquisition, design, major refurbishment and construction of various public infrastructure improvements owned or to be owned by the City. The City and Agency have entered into this Agreement based on the following facts, understandings and intentions of the parties:

RECITALS

A. Pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.; the "Redevelopment Law"), the City Council of the City has adopted and the Agency is responsible for implementing the Redevelopment Plan (the "Redevelopment Plan") for the Bayshore North Project Area (the "Project Area").

B. To assist in implementing the Redevelopment Plan, the Agency has adopted a five (5)-year implementation plan (the "Implementation Plan") pursuant to Section 33490 of the Redevelopment Law.

C. The Agency and the City desire that the Agency will fund and the City will acquire any necessary land for, and design and construct various elements of public infrastructure improvements and facilities owned or to be owned by the City, as more fully set forth in Exhibit A attached to and incorporated in this Agreement by this reference. Exhibit A in its entirety is referred to in this Agreement as the "Infrastructure Improvement Plan," and the improvements listed in the Infrastructure Improvement Plan are referred to individually as an "Infrastructure Improvement Project" and collectively as the "Infrastructure Improvement Projects." The Infrastructure Improvement Plan set forth in Exhibit A includes the currently estimated costs of implementing the Infrastructure Improvement Projects.

D. The Infrastructure Improvement Projects are provided for in the Redevelopment Plan, and are consistent with the Implementation Plan. Implementation of the Infrastructure Improvement Projects will benefit the Project Area and will assist in the elimination of blight in the Project Area and the provision of affordable housing in the community. The Agency's use of funds as provided in this Agreement is authorized by the Redevelopment Law, and the Agency and City Council have made all findings required under the Redevelopment Law for such use.

E. Pursuant to State CEQA Guidelines Section 15378(b)(4), approval of the Agreement is not a project subject to the California Environmental Quality Act ("CEQA"), because this Agreement consists of the creation of a governmental funding mechanism for various public improvements, but does not commit funds to any specific public improvement, in that environmental review required by CEQA shall be completed prior to the commencement of any Infrastructure Improvement Project listed in the Infrastructure Improvement Plan contained in Exhibit A.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the City and the Agency agree as follows:

## ARTICLE 1 AGENCY GRANT

Section 1.1 Agency Grant. Subject to the terms and conditions of this Agreement, the Agency hereby grants to the City, and the City hereby accepts from the Agency, a grant (the "Grant") in an amount not to exceed the total amount shown for all Infrastructure Improvement Projects attached to this Agreement as Exhibit A at the time of execution of this Agreement (the "Maximum Grant Amount"), for use by the City to complete the Infrastructure Improvement Projects as further provided in Article 2.

Section 1.2 Grant Source. The sources of the Grant from the Agency to the City consist of:

(a) All funds currently held by the Agency (other than in the Agency's Low and Moderate Income Housing Fund) and not previously budgeted or appropriated for other activities, projects, or programs (the "Available Funds");

(b) All future tax increment revenue allocated to the Agency pursuant to the Redevelopment Plan and the Redevelopment Law and available to the Agency after the Agency: (1) makes all necessary annual payments with respect to then existing debt obligations of the Agency, including, without limitation, bonded indebtedness, pass-through payments owed to affected taxing entities under agreement or Sections 33607.5 or 33607.7 of the Redevelopment Law, written agreements with other persons or entities, deposits to the Agency's Low and Moderate Income Housing Fund pursuant to the Redevelopment Law, and any other statutorily required payment obligations of the Agency; and (2) sets aside a reasonable amount for Agency administration as mutually determined by the City and the Agency; and

(c) All net proceeds of bonded indebtedness or other indebtedness of the Agency that the Agency designates for payment of the amount owed under this Agreement (the "Bond Proceeds"); and

(d) All future proceeds from land sales or from lease revenues (the funds specified in this Section 1.2 shall be collectively referred to herein as the "Pledged Funds").

In no event shall the sum of the Pledged Funds exceed the Maximum Grant Amount.

**Section 1.3 Payment Procedure.** The Agency shall pay the Available Funds to the City within ten (10) days of the City's request. The Agency shall pay the Pledged Funds to the City within ten (10) days after receipt of each installment of tax increment revenue in an amount equal to the portion of such tax increment revenue constituting Pledged Funds. Until needed to fund a Infrastructure Improvement Project, the City shall invest all Grant funds received from the Agency in the Local Agency Investment Fund or other comparable investment vehicle, and shall apply all interest earned thereon toward the cost of the Infrastructure Improvement Projects. Any Grant funds held by or for the benefit of the City at the earlier of (a) completion of and payment for all of the Infrastructure Improvement Projects or (b) the Plan Effectiveness Deadline (as defined in Section 2.1) shall be promptly reimbursed by the City to the Agency, and may thereafter be used by the Agency free of any obligation under this Agreement.

**Section 1.4 Condition to Agency Disbursement.** Notwithstanding the Agency's commitments contained herein, the Agency obligation to make any disbursement hereunder shall be conditioned on the adoption of an ordinance by the City, a so-called "SB 211 Ordinance", amending the Redevelopment Plan to eliminate the Agency's time limit for incurring indebtedness. This Agreement shall be effective as of the date first above written, however, the Agency shall not be required to make any advances to the City until the SB 211 Ordinance has been adopted by the City and is effective. The Agency acknowledges that the City is under no obligation to adopt the SB 211 Ordinance and this Agreement is not intended to limit, in any manner, the City's discretion in considering the adoption of the SB 211 Ordinance.

**Section 1.5 Indebtedness of the Agency.** Subject to the provisions of Section 1.4, the obligation of the Agency to pay the Pledged Funds to the City shall constitute an indebtedness of the Agency incurred in carrying out the Redevelopment Plan and a pledge of tax increment received by the Agency from the Project Area to repay such indebtedness under the provisions of Article XVI, Section 16 of the Constitution of the State of California, the Redevelopment Law, and the Redevelopment Plan.

**Section 1.6 Subordination.** The parties agree that the obligation of the Agency to make payments pursuant to this Agreement is subordinate to: (a) any obligation of the Agency to pay debt service on tax increment bonds, or any other loans or agreements, heretofore issued and secured by a pledge of and a lien upon tax increment revenue generated by the Agency in the Project Area; (b) any obligation of the Agency to pay debt service on tax increment bonds, or any other loans or agreements, hereafter issued, with the approval of the City, and secured by a pledge of and a lien upon tax increment revenue generated by the Agency in the Project Area; (c) any required deposits or related payments to the Agency's Low and Moderate Income Housing Fund; and (d) any pass-through payment obligation to affected taxing entities.

## ARTICLE 2 COMPLETION OF INFRASTRUCTURE IMPROVEMENT PROJECTS

Section 2.1 Use of Grant. The City shall use the Grant exclusively for the completion of the Infrastructure Improvement Projects in accordance with the terms and conditions of this Agreement. Among other activities, the City may use the Grant to pay costs of land acquisition, relocation, demolition, site preparation and remediation, design, and construction of the Infrastructure Improvement Projects, and reasonable staff, consultant and other administrative costs in connection therewith. The City shall undertake the Infrastructure Improvement Projects in accordance with all applicable laws and regulations, including without limitation, laws and regulations related to competitive bidding of public works projects, payment of prevailing wages, non-discrimination, and the use of tax-exempt bond proceeds, if and to the extent such tax-exempt bond proceeds constitute a portion of the Grant funds. The City shall use the Grant funds for completion of the various Infrastructure Improvement Projects by not later than the deadline for effectiveness of the Redevelopment Plan (the "Plan Effectiveness Deadline"), as set forth in the Redevelopment Plan.

Section 2.2 Consultation; Modification of Infrastructure Improvement Plan. The Agency and the City shall confer periodically to establish priorities and timing for funding and completion of the various Infrastructure Improvement Projects, to review the scope and design of each Infrastructure Improvement Project, and to determine any mutually acceptable modifications in the cost estimates and budgets for the various Infrastructure Improvement Projects. The City and Agency may modify the Infrastructure Improvement Plan from time to time: to provide for the use of additional federal, state and local funds; to account for unexpected revenues, whether greater or lesser; to modify, add, or delete an Infrastructure Improvement Project from the Infrastructure Improvement Plan; to modify the cost estimate for individual Infrastructure Improvement Projects; to maintain consistency with the City's General Plan or the Redevelopment Plan; or to take into consideration unforeseen circumstances, including without limitation circumstances that may come to light as a result of subsequent environmental review required by CEQA, as further described in Section 2.3. The Infrastructure Improvement Plan may be modified by the City Manager on behalf of the City and the Executive Director on behalf of the Agency; provided, however, in no event shall the total Grant to be paid by the Agency to the City exceed the Maximum Grant Amount without a formal amendment of this Agreement approved by the City Council and the Agency Board; and, provided further, however, that any addition of a Infrastructure Improvement Project to the Infrastructure Improvement Plan shall be conditioned upon the making of all required Redevelopment Law findings and CEQA findings by the City Council and the Agency Board in their policy discretion.

Section 2.3 CEQA Review. Prior to the approval, use of Grant funds, and commencement of work on any Infrastructure Improvement Project listed in the Infrastructure Improvement Plan (other than preliminary feasibility work that is exempt from the requirements of CEQA), all necessary environmental review required by CEQA shall be completed. All Infrastructure Improvement Projects to be funded with Grant funds from the Agency pursuant to this Agreement must be consistent with CEQA. This



Agreement in no way limits the discretion of the Planning Commission, the Agency, and City Council in completing environmental review of the Infrastructure Improvement Projects.

Section 2.4 Ongoing City Obligations. Following completion, the City shall be responsible for causing the operation, refurbishment and maintenance of each Infrastructure Improvement Project in accordance with City policies and standards for such improvements then in effect and as amended from time to time. The Agency's grant and the City's acceptance of the Grant shall not imply any ownership or responsibility for the Infrastructure Improvement Projects by the Agency, and the City shall retain any and all responsibility and liability for them.

Section 2.5 Indemnity. The City shall indemnify, defend, and hold the Agency, its officers, agents, and employees, harmless against all claims, demands, damages, losses, costs, expenses, including without limitation, attorneys' fees and costs of litigation, or liabilities made against them which arise out of, or in connection with, the construction or failure of the Infrastructure Improvement Projects; provided, however, that this indemnity shall not extend to any claim arising solely from the Agency's negligence or the Agency's negligent failure to perform its obligations under this Agreement.

### ARTICLE 3 GENERAL PROVISIONS

Section 3.1 Non-Liability of Officials. No member, official, employee or agent of the Agency shall be personally liable to the City, or any successor in interest, in the event of any default or breach by the Agency for any amount which may become due to the City or successor or on any obligation under the terms of this Agreement. No member, official, employee or agent of the City shall be personally liable to Agency, or any successor in interest, in the event of any default or breach by the City for any amount which may become due to the Agency or successor or on any obligation under the terms of this Agreement.

Section 3.2 Actions of the Parties. Except as otherwise provided in this Agreement, whenever this Agreement calls for or permits a party's approval, consent, or waiver, the written approval, consent, or waiver of the Agency's Executive Director and the City's City Manager (or their respective designees) shall constitute the approval, consent, or waiver of the Agency and the City, respectively, without further authorization required from the governing board of the party; provided, however, that the person vested with such authority may seek such further advice or authorization from the applicable governing board when she/he deems it appropriate.

Section 3.3 Nondiscrimination.

(a) In Performance of Agreement. The City and its contractors, subcontractors, agents, and employees shall not, because of the race, color, creed,

religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, age, or disability of any person, refuse to hire or employ the person, or refuse to select the person for a training program leading to employment, or bar or discharge the person from employment or from a training program leading to employment, or discriminate against the person in compensation or in terms, conditions or privileges of employment with respect to performance of this Agreement.

(b) With Respect to Use of the Public Improvements Projects. The City covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, age, or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Infrastructure Improvement Projects.

Section 3.4 No Third Party Beneficiaries. No person or entity other than the Agency, the City and their permitted successors and assigns, shall have any right of action under this Agreement.

Section 3.5 State Law. This Agreement, and the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of California.

Section 3.6 Records. The City shall maintain complete and accurate financial accounts, documents and records with respect to the performance of its obligations under this Agreement, and shall make same available to the Agency's authorized agents for copying and auditing upon reasonable prior notice. Such accounts, documents and records shall be retained by the City for the longer of two (2) years following completion of the applicable Infrastructure Improvement Project or whatever retention period the City has designated for such documents.

Section 3.7 Inspection of Documents. During the regular office hours and upon reasonable prior notice, the City and the Agency, by their duly authorized representatives, shall have the right to inspect and make copies of any books, records or reports of the other party pertaining to this Agreement.

Section 3.8 Additional Acts. The parties each agree to take such other and additional actions and execute and deliver such other and additional documents as may be reasonably requested by the other party for purposes of consummating the transactions contemplated in this Agreement.

Section 3.9 Litigation Regarding Agreement Validity. In the event litigation is initiated attacking the validity of this Agreement, each party shall in good faith defend and seek to uphold the Agreement.

Section 3.10 Validity of Agreement. If any provisions of this Agreement, or the application thereof to any person, party, transaction, or circumstance, is held invalid, the

remainder of this Agreement, or the application of such provision to other persons, parties, transactions, or circumstances, shall not be affected thereby.

Section 3.11 Entire Agreement; Modification and Amendment. This Agreement contains all of the agreements and understandings of the parties pertaining to the subject matter contained herein and supersedes all prior or contemporaneous agreements, representations and understandings of the parties. Except as otherwise provided in Section 2.2, this Agreement cannot be amended or modified except by written agreement of the parties.

Section 3.12 Defaults and Remedies. If either party breaches any other material provision of this Agreement, the other party shall first notify the breaching party in writing of the purported breach or failure, giving the breaching party thirty (30) days from receipt of such notice to cure or, if cure cannot be accomplished within thirty (30) days, to commence to cure such breach, failure, or act. In the event the breaching party does not then so cure within such thirty (30) days, or if the breach or failure is of such a nature that it cannot be cured within thirty (30) days, the breaching party fails to commence to cure within such thirty (30) days and thereafter diligently complete such cure within a reasonable time thereafter but in no event later than one hundred twenty (120) days, then the non-breaching party shall be afforded all of its rights at law or in equity, by taking all or any of the following remedies: (a) terminating in writing this Agreement (provided, however, that the indemnification provisions of this Agreement shall survive such termination); and (b) prosecuting an action for damages or specific performance.

Section 3.13 Binding Upon Successors. This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest and assigns of each of the parties to this Agreement. Any reference in this Agreement to a specifically named party shall be deemed to apply to any successor, heir, administrator, executor or assign of such party who has acquired an interest in compliance with the terms of this Agreement, or under law.

Section 3.15 Time Of The Essence. Time is of the essence in the performance of all duties and obligations under this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed as of the date set forth in the opening paragraph of this Agreement.

Approved as to Form

**REDEVELOPMENT AGENCY OF THE  
CITY OF SANTA CLARA**

\_\_\_\_\_  
Elizabeth H. Silver  
Interim Agency General Counsel

\_\_\_\_\_  
Jennifer Sparacino  
Executive Director

Attest:

\_\_\_\_\_  
Rod Diridon, Jr.  
Agency Secretary

**CITY OF SANTA CLARA**

Approved as to Form

\_\_\_\_\_  
Elizabeth H. Silver  
Interim City Attorney

\_\_\_\_\_  
Jennifer Sparacino  
City Manager

Attest:

\_\_\_\_\_  
Rod Diridon, Jr.  
City Clerk

## EXHIBIT A

### INFRASTRUCTURE IMPROVEMENT PLAN

The Infrastructure Improvement Plan consists of the acquisition and improvement of land for, design, construction, and related activities to complete the following Infrastructure Improvement Projects:

[See Attached]

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INFRASTRUCTURE IMPROVEMENT PLAN

The Infrastructure Improvement Plan consists of the acquisition and improvement of land for design, construction and refurbishment and related activities to complete the following Infrastructure Improvement Projects:

| Agency Project | Project Title                                      | Project Description                            | Project Appropriation | EIR Document                             | EIR Date(s) |
|----------------|----------------------------------------------------|------------------------------------------------|-----------------------|------------------------------------------|-------------|
| 9038           | Convention Center Parking Garage Modification      | Structural upgrade                             | \$183,621             | Bayshore North EIR                       | 1973        |
| 9043           | Tasman Drive Parking Structure                     | New 1,800 space garage                         | \$40,690,411          | Bayshore North/49ers Santa Clara Stadium | 1998/2010   |
| 9049           | Youth Soccer Park                                  | 3 field Soccer Park and related facilities     | \$486,901             | Bayshore North EIR                       | 1998        |
| 9052           | Golf Course Perimeter Drainage                     | Storm drain system for golf course             | \$312,683             | Bayshore North EIR/General Plan EIR      | 1998/2010   |
| 9054           | San Tomas Aquino Creek Trail                       | Pedestrian and bike trail along creek          | \$591,569             | San Tomas/Saratoga Creek MND             | 1999        |
| 9057           | Ulistac Natural Area Wetland Mitigation            | Mitigation of existing area wetlands           | \$318,448             | Bayshore North EIR                       | 1998        |
| 9058           | Yerba Buena Site Development                       | Continued testing of clean-up area             | \$220,532             | Bayshore North EIR                       | 1998        |
| 9059           | Convention Center Ballroom Expansion               | Addition of 24,000 sq ft to Convention Center  | \$2,993,979           | Bayshore North EIR                       | 1998        |
| 9068           | Convention Center Fire Alarm Upgrade               | Replacement of existing fire alarming system   | \$33,323              | Not a project under CEQA                 |             |
| 9069           | San Tomas Aquino Creek Trail Spur Trail            | Trail connection to City's Central Park        | \$202,439             | San Tomas/Saratoga Creek MND             | 1999        |
| 9070           | Martinson Day Care Center                          | Major refurbishments to building systems       | \$331,083             | Exempt Sec. 15301                        |             |
| 9072           | Walsh Avenue Sanitary Sewer Improvements           | Design and construct sanitary sewer main       | \$4,016,938           | General Plan EIR Addendum #3             | 2010        |
| 9073           | Yerba Buena Site Development Fees                  | Agency share of office park development fees   | \$1,000,000           | Bayshore North EIR                       | 1998        |
| 1012           | Stadium Site Reimbursable Development Fees         | Agency share of stadium development fees       | \$1,600,000           | 49ers Santa Clara Stadium EIR            | 2010        |
| 9076           | Major Refurbishment of Public Facilities in NB RDA | Supports various civic facility refurbishments | \$25,000,000          | Not a project under CEQA                 |             |
|                |                                                    |                                                | \$77,981,927          |                                          |             |