



City of Santa Clara, California



**Date:** March 7, 2011

**To:** City Manager/Executive Director for Council/Redevelopment Agency Action

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

**Subject:** Adoption of Resolutions Authorizing the Execution of Two Property Conveyance Agreements with the City for the Conveyance of Certain Real Property Owned by the Redevelopment Agency

**EXECUTIVE SUMMARY:**

As part of its 2011-12 budget proposal, the State has proposed permanently shutting down local redevelopment agencies in California, effective immediately upon passage. The proposal was approved by the State Budget Conference Committee on March 3, 2011; it is now expected to be voted upon by the full Assembly and Senate on March 9, 2011. In order to prevent the loss of Redevelopment Agency assets if the proposal is passed, staff is recommending certain actions for Council consideration.

The Redevelopment Agency owns approximately 180 acres of property within the Bayshore North Redevelopment Project Area, which has been developed in accordance with the Bayshore North Redevelopment Plan. A list of the affected properties is attached. With the exception of the Convention Center property, the land is ground leased by the Redevelopment Agency to private parties. Currently, under a cooperation agreement between the Redevelopment Agency and the City, the annual lease payments from these properties go to the City and are an important source of revenue for the City's General Fund budget. Given the uncertainty of the future of redevelopment agencies, it is recommended that the Agency convey the property and assign its leasehold interest in the property to the City.

**ADVANTAGES AND DISADVANTAGES OF ISSUE:**

Conveyance of these properties and assignment of the leasehold interests to the City will ensure that the City General Fund continues to receive the annual lease payments from the private party lessees. There are no identified disadvantages.

**ECONOMIC/FISCAL IMPACT:**

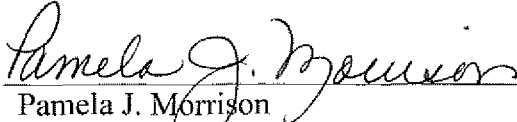
The City General Fund receives approximately \$12 million per year in lease payments from these properties.

**RECOMMENDATION:**

1) That the City adopt a Resolution authorizing the execution of two property conveyance agreements with the Redevelopment Agency of the City of Santa Clara for the conveyance of certain real property owned by the Agency;

City Manager/Executive Director for Council/Redevelopment Agency Action  
Subject: Adoption of Resolutions Authorizing the Execution of Two Property Conveyance Agreements with  
the City for the Conveyance of Certain Real Property Owned by the Redevelopment Agency  
March 8, 2011  
Page 2

2) That the Agency adopt a Resolution authorizing the execution of two property conveyance agreements  
with the City of Santa Clara for the conveyance of certain real property owned by the Agency.

  
\_\_\_\_\_  
Pamela J. Morrison  
Administrative Analyst to the City Manager

APPROVED:

  
\_\_\_\_\_  
for Jennifer Sparacino  
City Manager/Executive Director  
for the City Council/Redevelopment Agency

***Documents Related to this Report:***

- 1) ***Resolution authorizing the execution of two property conveyance agreements with the Redevelopment Agency of the City of Santa Clara for the conveyance of certain real property owned by the Agency***
- 2) ***Resolution authorizing the execution of two property conveyance agreements with the City of Santa Clara for the conveyance of certain real property owned by the Agency***
- 3) ***Description of Properties for Conveyance from the Redevelopment Agency to the City***

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

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SANTA CLARA AUTHORIZING THE EXECUTION OF TWO  
PROPERTY CONVEYANCE AGREEMENTS WITH THE  
REDEVELOPMENT AGENCY OF THE CITY OF SANTA  
CLARA FOR THE CONVEYANCE OF CERTAIN REAL  
PROPERTY OWNED BY THE AGENCY

WHEREAS, the City Council (the "City Council") of the City of Santa Clara (the "City") has adopted the Bayshore North Redevelopment Plan (as amended, the "Redevelopment Plan"). The Redevelopment Plan sets forth a plan for redevelopment of the Bayshore North Redevelopment Project Area (the "Project Area"); and

WHEREAS, the Redevelopment Agency of the City of Santa Clara (the "Agency") is responsible for administering the Redevelopment Plan to cause redevelopment of the Project Area; and

WHEREAS, the Agency owns certain real property within the Project Area (the "Property") which has previously been developed by, or on behalf of, the Agency, in accordance with the Redevelopment Plan; and

WHEREAS, the City desires to enter into two property conveyance agreements (the "Agreement") with the Agency, substantially in the form on file with the City Clerk and the Agency Secretary, under which the Agency would convey to the City, and the City would accept from the Agency, the Property and the City would continue the existing use for each Property; and

WHEREAS, as part of the conveyance of the Property to the City, the Agency desires to assign all of its right, title and interest in any leases on the Property and the City desires to accept assignment of all of the Agency's rights, title and interest in any leases; and

WHEREAS, the Property is more particularly described in the Agreements, and the conveyance of the Property by the Agency to the City is authorized by California Health & Safety Code Section 33432; and

WHEREAS, pursuant to Section 15061(b)(3) of the CEQA Guidelines, the Agreements are exempt from the requirements of CEQA because the use of the Redeveloped Parcels will not change or otherwise be modified following the conveyance by the Agency to the City pursuant to the Agreement; and

WHEREAS, by staff report accompanying this Resolution and incorporated into this Resolution by this reference (the "Staff Report"), the City Council has been provided with additional information upon which the actions set forth in this Resolution are based. Among other things, the Staff Report describes the Property.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City Council finds that the above recitals are accurate.
2. The City Manager is hereby authorized and directed to file a Notice of Exemption with respect to the Agreements in accordance with the applicable provisions of CEQA.
3. Pursuant to Health and Safety Code Section 33432 and 33220, the City Council hereby approves the Agreements and all ancillary documents, including but not limited to, grant deeds (the "Grant Deeds") and Assignment and Assumptions Agreements ("Assignment Agreements"); approves execution of the Agreements by the City Manager, approves the execution by the City Manager of the Grant Deeds and Assignment Agreements, certificates of acceptance, and all ancillary documents in substantially the form on file with the City Clerk and the Agency Secretary, with such changes as are approved by the City signatory (such approval to

be conclusively evidenced by the execution of the Agreement); and approves the acceptance of the Property by the City pursuant to the provisions of the Agreements.

5. This Resolution shall take immediate effect upon its adoption.

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 SPECIAL 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  
CITY OF SANTA CLARA

Attachments Incorporated by Reference:  
1. Property Conveyance Agreement

**PROPERTY CONVEYANCE AGREEMENT  
(BAYSHORE NORTH REDEVELOPMENT PROJECT AREA PROPERTIES)**

This Property Conveyance Agreement (the "Agreement") is entered into as of March 8, 2011, by and between the Redevelopment Agency of the City of Santa Clara, a public body corporate and politic (the "Agency"), and the City of Santa Clara, a chartered municipal corporation (the "City"), with reference to the following facts and purposes:

RECITALS

A. The City Council (the "City Council") of the City has adopted and amended, from time to time, the Bayshore North Redevelopment Plan (the "Redevelopment Plan") for the Bayshore North Redevelopment Project Area (the "Project Area"), in accordance with the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.; the "Redevelopment Law").

B. The Agency is responsible for administering the Redevelopment Plan to cause the redevelopment of the Project Area.

C. 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.

D. In accordance with the Redevelopment Plan, the Agency has acquired certain parcels of real property within the Project Area, located at Tasman Drive and Great America Parkway (APNs: 104-42-019 and 014); 4949 Great America Parkway (APN: 104-43-042); Tasman Drive and Great America (APN: 104-43-051); and Great America Parkway and Yerba Buena Way (APNs: 104-01-099, 100, 101) and one property, 1350 Hope Street (APN: 097-08-053), located outside the boundaries of the Project Area but which was acquired as a benefit to the Project Area, all as more particularly described in the attached Exhibit A, (each of which is referred to as a "Parcel" or, if more than one, "Parcels". All the Parcels taken together shall be collectively referred to as the "Property").

E. The Agency intends to convey the Property to the City for the consideration set forth in this Agreement and for the redevelopment purposes set forth herein.

F. Section 33220(g) of the Redevelopment Law authorizes the City to acquire land from the Agency, with or without consideration, and upon the terms and as the City may determine.

G. The Agency may convey property to the City pursuant to Section 33432 of the Redevelopment Law.

H. The Agency has entered into those certain leases encumbering one or more of the Parcels, which leases are listed in Exhibit B attached to this Agreement (the "Leases"). As part of the conveyance of the Property to the City, the Agency intends to assign the Leases to the City pursuant to an assignment of lease, in the form attached to this Agreement as Exhibit C (the "Assignment of Leases").

I. In addition to the Leases, one or more of the Parcels may be encumbered by a Disposition and Development Agreement ("DDA") under which the developer of the particular Parcels is required to perform additional tasks before the DDA is terminated. The Agency intends to assign its interest in the DDA to the City in addition to the assignment of the Lease for the Parcels and to relinquish to the City any development rights the Agency may have in the Parcels.

J. Prior to the date of this Agreement, the Agency has incurred obligations to the City as a result of a property transfers and the development of certain improvements, as evidenced by that certain Cooperation Agreement Yerba Buena Property by and between the City and the Agency dated as of August 17, 1999, as amended (the "Yerba Buena Property Cooperation Agreement").

K. The Agency has identified a method for paying its debt to the City while allowing the Agency to continue its mission to advance the Redevelopment Plan. Pursuant to the terms of this Agreement, the Agency will convey the Property and assign the Leases to the City in exchange for a release of a portion of the debt the Agency owes to the City.

L. In furtherance of the goals and objectives of the Redevelopment Plan and the Implementation Plan, the Agency desires to convey the Property and assign the Leases and the DDA to the City, and the City desires to acquire the Property and assume the Leases and the DDA from the Agency. The Agency and the City desire to enter into this Agreement to effectuate the transfer of the Property and the Leases by the Agency to the City and to establish the parties' mutual agreement regarding the on-going use of the Property.

F. Following the conveyance of the Property to the City, the City intends to continue the use of the Property in furtherance of the Redevelopment Plan.

G. Pursuant to Section 15061(b)(3) of the CEQA Guidelines, this Agreement is exempt from the requirements of CEQA because the use of the Property will not change, or otherwise be modified, following the conveyance set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Agency and the City agree as follows:

Section 1. Conveyance. Subject to the terms and conditions set forth below, the Agency agrees to convey, and the City agrees to accept conveyance of, the Property and all of the Agency's right, title and interest in the Leases and the DDA.

Section 2. Consideration for Conveyance. The Agency shall convey the Property to the City in consideration for the City's agreement to credit the Agency with a payment of One

Hundred Thirty Seven Million Dollars (\$137,000,000) as a payment under the Yerba Buena Property Cooperation Agreement.

Section 3. Use of the Property. As additional consideration given to the Agency and as an inducement for the Agency to enter into this Agreement, the City agrees to use the Property in compliance with the Redevelopment Plan and to use its best efforts to retain the successfully completed redevelopment projects that are now in place on the Property

Section 4. Method of Conveyance. As soon as practicable following execution of this Agreement, the Agency shall convey the Property to the City by grant deed (the "Grant Deed"), substantially in the form of the attached Exhibit D, and shall assign the Leases pursuant to the Assignment of Leases, substantially attached as Exhibit C. The date of execution the Grant Deed is referred to in this Agreement as the "Conveyance Date." Ad valorem property taxes and assessments, if any, shall be prorated as of the Conveyance Date. The Agency shall pay all costs of conveyance.

Section 5. Condition of Property. In fulfillment of the purposes of Health and Safety Code Section 25359.7(a), the parties acknowledge and agree that the Agency has provided the City with all information in its possession regarding the existence and/or release of hazardous substances on or beneath the Property, and that the provision of such information constitutes the written notice required to be given by the Agency to the City pursuant to Health and Safety Code Section 25359.7(a).

Section 6. Indemnification. The Agency shall indemnify, defend and hold the City harmless from any any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney's fees and expenses) imposed upon or incurred by or asserted against the City and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any presence of any hazardous materials in, on, above, or under any Parcel prior to the time of the Conveyance Date; (b) any actual or proposed investigation, assessment, remediation or monitoring of any hazardous materials, under, on or above any Parcel prior to the Conveyance Date, whether or not any such activity is voluntary or pursuant to court or administrative order; (c) any past, present or threatened non-compliance or violations of any hazardous materials laws, any order of any governmental authority issued under any hazardous materials laws as a result of any hazardous materials in, on, above, or under any Parcel prior to the time of the Conveyance Date; (d) third party claims concerning hazardous material relating to matters that initially arose prior to the time of the Conveyance Date; or (e) any third party claims relating to matters that arose before Conveyance Date. Each indemnified party may make all reasonable decisions with respect to their representation in any legal proceeding, including, but not limited to, the selection of attorney(s). The Agency shall pay immediately upon the City's demand any amounts owing under this indemnity.



Section 7. Representations and Warranties. The Agency represents, warrants and covenants to the City, as of the date of this Agreement and as of the Conveyance Date, as follows:

(a) No Condemnation. To the best of the Agency's knowledge, there is no pending or threatened condemnation or similar proceeding affecting the Property, or any portion thereof, nor does the Agency have any knowledge that any such action is contemplated.

(b) No Proceedings. To the best of the Agency's knowledge, there are no legal actions, suits, or other legal or administrative proceedings, including condemnation cases pending or threatened against or affecting the Property or the Agency's title to the Property. The Agency has not received notice from any public agency or entity with respect to any future proceeding or basis for any future proceeding against or affecting the Property or any part of the Property, or concerning any existing or potential, past, present or future toxic or hazardous material or conditions at the Property.

(c) Clear Title. The Agency is the owner of the Property and has marketable and insurable fee simple title to the Property.

Section 8. No Brokers. Each party represents to the other that it has not had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any real estate broker or other person who can claim a right to a commission or finder's fee. If any broker or finder makes a claim for a commission or finder's fee based upon a contact, dealings, or communications, the party through whom the broker or finder makes this claim shall indemnify, defend with counsel of the indemnified party's choice, and hold the indemnified party harmless from all expense, loss, damage and claims, including the indemnified party's attorneys' fees, if necessary, arising out of the broker's or finder's claim.

Section 9. General Provisions.

(a) Headings. The title and headings of the various sections hereof are intended for means of reference and are not intended to place any construction on the provisions hereof.

(b) Invalidity. If any provision of this Agreement shall be invalid or unenforceable the remaining provisions shall not be affected thereby, and every provision hereof shall be valid and enforceable to the fullest extent permitted by law.

(c) Attorneys' Fees. In the event of any litigation between the parties hereto to enforce any of the provisions of this Agreement, the unsuccessful party to such litigation agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees incurred by the successful party, all of which may be included as part of the judgment rendered in such litigation.

(d) Entire Agreement. The terms of this Agreement are intended by the parties as a final expression of their agreement and may not be contradicted by evidence of any

prior or contemporaneous agreement. The parties further intend that this Agreement constitute the exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceedings involving this Agreement. No provision of this Agreement may be amended except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(e) Successors. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

(f) Time of the Essence. Time is of the essence in this Agreement.

(g) Exhibits. All exhibits attached hereto are incorporated in this Agreement by this reference.

(h) Actions of the Parties. Whenever this Agreement calls for or permits an Agency approval, determination, consent, election, or waiver, the written approval, determination, consent, election, or waiver of the Agency Executive Director or the Executive Director's designee shall constitute the approval, determination, consent, election, or waiver of the Agency, without further authorization required from the Agency Board. Whenever this Agreement calls for or permits City approval, determination, consent, election, or waiver, the written approval, determination, consent, election, or waiver of the City Manager or the City Manager's designee shall constitute the approval, determination, consent, election, or waiver of the City, without further authorization required from the City Council.

***Remainder of Page Left Intentionally Blank***

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA,**  
a redevelopment agency, a public body, corporate and politic,  
organized and existing in the County of Santa Clara,  
under and by virtue of the laws of the State of California

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH H. SILVER  
Interim Agency General Counsel

\_\_\_\_\_  
JENNIFER SPARACINO  
Executive Director

ATTEST:

1500 Warburton Avenue  
Santa Clara, CA 95050  
Telephone: (408) 615-2210  
Facsimile: (408) 241-6771

\_\_\_\_\_  
ROD DIRIDON, JR.  
Agency Secretary

“Agency”

**CITY OF SANTA CLARA, CALIFORNIA,**  
a chartered California municipal corporation

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH H. SILVER  
Interim City Attorney

\_\_\_\_\_  
JENNIFER SPARACINO  
City Manager  
1500 Warburton Avenue  
Santa Clara, CA 95050  
Telephone: (408) 615-2210  
Fax: (408) 241-6771

ATTEST:

\_\_\_\_\_  
ROD DIRIDON, JR.  
City Clerk

“CITY”

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

1. APN: 104-42-019  
APN: 104-42-014  
APN: 104-43-051
2. APN: 104-43-042
3. APN: 104-01-099  
APN: 104-01-100  
APN: 104-01-101
4. APN: 097-08-053

EXHIBIT B

LEASES

1. Ground Lease with First Purchase Rights by and between the Redevelopment Agency of the City of Santa Clara and Kings Entertainment Company dated as of May 31, 1989, as amended by that certain First Amendment to Ground Lease dated as of April 14, 1994; that Second Amendment to Ground Lease dated as of March 18, 1997; and that Third Amendment to Ground Lease dated as of May 25, 1999.
2. Ground Lease by and between the Redevelopment Agency of the City of Santa Clara and Santa Clara Hotel, LLC, dated as of July 9, 1999.
3. (a) Ground Lease by and between the Redevelopment Agency of the City of Santa Clara and the Irvine Company dated as of February 14, 2001, as amended by the certain Amendment to Lease dated as of May 10, 2006.  
  
(b) Disposition and Development Agreement by and between the Redevelopment Agency of the City of Santa Clara and the Irvine Company dated as of April 25, 2000.
4. Master Real Property Lease by and between the Redevelopment Agency of the City of Santa Clara and the Santa Clara Unified School District dated on or around November, 2003.

EXHIBIT C

FORM OF ASSIGNMENT OF LEASES

RECORDING REQUESTED  
BY AND WHEN RECORDED  
RETURN TO:

City of Santa Clara  
1500 Warburton Avenue,  
Santa Clara, California 95050  
Attn: City Manager

No fee for recording pursuant to  
Government Code Section 27383

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**ASSIGNMENT AND ASSUMPTION AGREEMENT  
(Bayshore North Redevelopment Project Area Properties)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is entered into as of March 8, 2011 (the "Effective Date"), by and between the Santa Clara Redevelopment Agency, a public body, corporate and politic (the "Assignor") and the City of Santa Clara, a municipal corporation (the "Assignee"), and with reference to the following facts:

RECITALS

A. On, or as of the Effective Date, the Agency conveyed to the City all of its rights, title, and interest in that certain real property located in the City of Santa Clara, County of Santa Clara, State of California as more particularly described in Exhibit A (the "Property"), pursuant to that certain Property Conveyance Agreement Purchase dated as of March 8, 2011 (the "Conveyance Agreement").

B. In conjunction with the conveyance of the Property by the Agency to the City, the Agency wishes to convey all of its title, interest, rights and obligations under those certain leases described in Exhibit B (collectively, the "Leases") pursuant to the terms of this Assignment.

C. The Assignor desires to assign to the Assignee, and the Assignee desires to assume from Assignor, all of the Assignor's rights, title and interests under the Leases.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor, and the Assignee (collectively, the "Parties") mutually agree as follows:

1. Assignment by Assignor. As of the Effective Date, the Assignor hereby assigns transfers and delegates to the Assignee, all of Assignor's right, title, and interest in and obligations under the Leases. Assignor shall remain responsible for any duty or obligation under the Leases that was to be performed by Assignor prior to the date of this Assignment. Assignor shall hold defend (with counsel reasonably selected by the Assignee) indemnify, and hold Assignee harmless from and against any and all claims, losses, damages, liabilities, and all costs incurred in connection therewith (including without limitation actual attorneys' fees and costs of experts and consultants) arising from Assignor's duties or obligations under the Leases arising prior to the date of this Assignment.

2. Acceptance of Assignment. As of the Effective Date, Assignee hereby accepts the above assignment and hereby assumes, agrees and undertakes to perform all of the obligations, covenants and agreements of Assignor pursuant to the Leases. Any reference to Assignor in the Lease shall be deemed a reference to the Assignee.

3. Representations. Assignor hereby represents and warrants that it has not previously assigned, pledged, hypothecated or otherwise transferred any of its rights under the Ground Lease.

4. Governing Law. This Assignment shall be governed by the laws of the State of California.

5. Headings. Section headings contained in this Assignment are inserted as a matter of convenience and for ease of reference only and shall be disregarded for all other purposes, including the construction or enforcement of this Assignment or any of its provisions.

6. Severability. If any term, provision, covenant or condition of this Assignment is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

7. Legal Actions. In the event any legal action is commenced to interpret or to enforce the terms of this Assignment, or otherwise arising out of this Assignment, the party prevailing in any such action shall be entitled to recover against the party not prevailing all reasonable attorneys' fees, expenses, and costs incurred in such action.

8. Counterparts. This Assignment may be executed in counterparts by the Parties hereto, each of which shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument.

***Remainder of Page Left Intentionally Blank***

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA,**  
a redevelopment agency, a public body, corporate and politic,  
organized and existing in the County of Santa Clara,  
under and by virtue of the laws of the State of California

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH H. SILVER  
Interim Agency General Counsel

\_\_\_\_\_  
JENNIFER SPARACINO  
Executive Director

ATTEST:

1500 Warburton Avenue  
Santa Clara, CA 95050  
Telephone: (408) 615-2210  
Facsimile: (408) 241-6771

\_\_\_\_\_  
ROD DIRIDON, JR.  
Agency Secretary

“Agency”

**CITY OF SANTA CLARA, CALIFORNIA,**  
a chartered California municipal corporation

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH H. SILVER  
Interim City Attorney

\_\_\_\_\_  
JENNIFER SPARACINO  
City Manager  
1500 Warburton Avenue  
Santa Clara, CA 95050  
Telephone: (408) 615-2210  
Fax: (408) 241-6771

ATTEST:

\_\_\_\_\_  
ROD DIRIDON, JR.  
City Clerk

“CITY”

**SIGNATURES MUST BE NOTARIZED**



**EXHIBIT A TO ASSIGNMENT OF LEASES**

**LEGAL DESCRIPTION OF THE PROPERTY**

1. APN: 104-42-019  
APN: 104-42-014  
APN: 104-43-051
  
2. APN: 104-43-042
  
3. APN: 104-01-099  
APN: 104-01-100  
APN: 104-01-101
  
4. APN: 097-08-053

## **EXHIBIT B TO ASSIGNMENT OF LEASES**

### **DESCRIPTION OF LEASES**

1. Ground Lease with First Purchase Rights by and between the Redevelopment Agency of the City of Santa Clara and Kings Entertainment Company dated as of May 31, 1989, as amended by that certain First Amendment to Ground Lease dated as of April 14, 1994; that Second Amendment to Ground Lease dated as of March 18, 1997; and that Third Amendment to Ground Lease dated as of May 25, 1999.
2. Ground Lease by and between the Redevelopment Agency of the City of Santa Clara and Santa Clara Hotel, LLC, dated as of July 9, 1999.
3. (a) Ground Lease by and between the Redevelopment Agency of the City of Santa Clara and the Irvine Company dated as of February 14, 2001, as amended by the certain Amendment to Lease dated as of May 10, 2006.  
  
(b) Disposition and Development Agreement by and between the Redevelopment Agency of the City of Santa Clara and the Irvine Company dated as of April 25, 2000.
4. Master Real Property Lease by and between the Redevelopment Agency of the City of Santa Clara and the Santa Clara Unified School District dated on or around November, 2003.

EXHIBIT D

FORM OF GRANT DEED

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

City of Santa Clara  
1500 Warburton Avenue,  
Santa Clara, California 95050  
Attn: City Manager

NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 27383

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GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

The Santa Clara Redevelopment Agency, a public body, corporate and politic, of the State of California (the "Grantor"), acting to carry out redevelopment purposes pursuant to the Community Redevelopment Law of the State of California, hereby grants to the City of Santa Clara, a municipal corporation (the "Grantee"), the real property (the "Property") described in Attachment No. 1 attached hereto and incorporated in this Grant Deed by this reference.

1. The Property is located within the Bayshore North Redevelopment Project Area and is subject to the Bayshore North Redevelopment Plan (the "Redevelopment Plan").

2. In accordance with the terms of the Conveyance Agreement between the Grantor and Grantee dated as of March 8, 2011 (the "Agreement"), the Grantee hereby covenants and agrees, for itself and its successors and assigns, to pursue the redevelopment of the Property in furtherance of the Redevelopment Plan.

3. The Grantee covenants and agrees, for itself and its successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, sexual orientation, age, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Grantee itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property and the improvements thereon.

All deeds, leases or contracts made relative to the Property thereon or any part thereof, shall contain or be subject to substantially the following non-discrimination clauses:

In Deeds:

"(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed, nor shall the grantee or any person claiming under or through the grantee, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

In Leases:

"(1) Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee or any person claiming under or through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

In Contracts:

"(1) There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

4. The covenant contained in Sections 2 regarding the use of the Property shall remain in effect until the expiration of the effectiveness of the Redevelopment Plan. The covenants contained in Section 3 regarding non-discrimination shall remain in effect in perpetuity.

5. The covenants contained in this Grant Deed shall, without regard to technical classification or designation, legal or otherwise specifically provided in this Grant Deed, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of and enforceable by the Grantor, its successors and assigns, and any successor in interest to the Property or any part thereof, and such covenants shall run in favor of the Grantor and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. In the event of any breach of any of such covenants, the Grantor and such aforementioned parties shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors and such aforementioned parties.

6. Only the Grantor, its successors and assigns, and the Grantee and the successors and assigns of the Grantee in and to all or any part of the fee title to the Property shall have the rights to consent and agree to changes or to eliminate in whole or in part any of the covenants contained in this Grant Deed or to subject the Property to additional covenants, easements, or other restrictions. For purposes of this Section, successors and assigns of the Grantee shall be defined to include only those parties who hold all or any part of the Property in fee title, and

not to include a tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under deed of trust, or any other person or entity having an interest less than a fee in the Property.

7. This Grant Deed may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Grant Deed as of this March 8, 2011.

GRANTOR:

**REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA,**  
a redevelopment agency, a public body, corporate and politic,  
organized and existing in the County of Santa Clara,  
under and by virtue of the laws of the State of California

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH H. SILVER  
Interim Agency General Counsel

\_\_\_\_\_  
JAMIE L. MATTHEWS  
Chairperson

ATTEST:

\_\_\_\_\_  
ROD DIRIDON, JR.  
Agency Secretary

\_\_\_\_\_  
JENNIFER SPARACINO  
Executive Director

1500 Warburton Avenue  
Santa Clara, CA 95050  
Telephone: (408) 615-2210  
Fax Number: (408) 241-6771

ATTACHMENT NO. 1 TO GRANT DEED

PROPERTY DESCRIPTION

1. APN: 104-42-019  
APN: 104-42-014  
APN: 104-43-051
2. APN: 104-43-042
3. APN: 104-01-100
4. APN: 097-08-053

DESCRIPTION OF PROPERTIES FOR CONVEYANCE FROM THE  
REDEVELOPMENT AGENCY TO THE CITY

1. Santa Clara Convention Center and bridge to Santa Clara Golf & Tennis Club  
5001 Great America Parkway  
APN: 104-55-016  
APN: 104-55-017  
APN: 104-55-025
2. Hyatt Regency Santa Clara  
5101 Great America Parkway  
APN: 104-55-005  
APN: 104-55-012
3. Techmart Meeting Center  
5201 Great America Parkway  
APN: 104-55-013
4. Hilton Santa Clara  
4949 Great America Parkway  
APN: 104-43-042
5. California's Great America Theme Park (and parking lots)  
4701 Great America Parkway  
APN: 104-43-014  
APN: 104-42-019  
APN: 104-43-051
6. Martinson Child Development Center  
1350 Hope Drive  
APN: 097-08-053
7. Gateway Office Park  
5355 Great America Parkway  
APN: 104-01-100



03/08/11

3A.-E.  
2A.-F. (RDA)  
2A. (SOSA)  
2A. (SA)  
2A-B. (HA)

ACTIONS TO PROTECT  
REDEVELOPMENT AGENCY ASSETS  
CITY COUNCIL MEETING  
MARCH 8, 2011

**Actions Tonight:**

- Assignment and Assumption Agreement: Redevelopment Agency Funded Low and Moderate Income Housing Projects
- Conveyance of Agency-owned housing property to the Housing Authority
- Conveyance of Agency-owned property to the City
- Assignment of Agency interest in SOSA-owned property to the City

## **Actions Tonight (cont'd)**

- Transfer of stadium-related Agency Capital Improvement Projects and appropriations to the Stadium Authority
- Transfer of all other non-stadium-related Agency Capital Improvement Projects and appropriations to the City
- Urgency ordinance amending the Redevelopment Plan for the Bayshore North Project Area, Debt Incurrence Time Limit Deletion (SB 211 Amendment)

## **Affordable Housing**

## Securing Affordable Housing Funds

- RDA/CITY “Cooperation Agreement” (Feb 8, 2011) creates Agency indebtedness of housing funds to City. Commits tax increment revenue already received but unencumbered by any existing contractual obligation.
- CITY HOUSING AUTHORITY (Feb 22, 2011) created as separate entity. CHA controlled by Commission composed of Mayor & Council.
- RDA/CITY/CHA approve “Assignment & Assumption Agreement” (March 8, 2011) to transfer Cooperation Agreement to CHA.

## Securing Affordable Housing Funds (Cont'd)

### Purpose:

- Commits all unencumbered housing funds.
- Keeps decision-making authority with Council – not an “oversight board”.

## Securing Affordable Housing Lands

TRANSFER TITLE of three Agency-owned properties to Housing Authority:

- 3575 De La Cruz Blvd (former Fire Station #6) future site for Habitat for Humanity project;
- 611 El Camino Real site of HomeSafe Santa Clara transitional housing facility for victims of domestic violence (lease to 2055);
- San Tomas Expway-Monroe Street southwest corner site planning for development proposals expected summer 2011.

## Securing Affordable Housing Lands (Cont'd)

Purpose:

- Continuation of project implementation
- Keeps decision-making authority with Council – not an “oversight board”

## Redevelopment Agency Properties and Leases

### Description Of Properties For Conveyance From The Redevelopment Agency To The City

- Santa Clara Convention Center and bridge to Santa Clara Golf & Tennis Club  
Location: 5001 Great America Parkway
- Hyatt Regency Santa Clara  
Location: 5101 Great America Parkway
- Techmart Meeting Center  
Location: 5201 Great America Parkway

## Description Of Properties For Conveyance From The Redevelopment Agency To The City (Cont'd)

- Hilton Santa Clara  
Location: 4949 Great America Parkway
- California's Great America Theme Park (and parking lots)  
Location: 4701 Great America Parkway
- Martinson Child Development Center  
Location: 1350 Hope Drive
- Gateway Office Park  
Location: 5353 Great America Parkway

## Capital Improvement Projects

## **Redevelopment Agency CIP Projects Transferring To City**

- Convention Center Parking Garage Modification
- Tasman Drive Parking Structure
- Youth Soccer Park
- Golf Course Perimeter Drainage
- San Tomas Aquino Creek Trail
- Ulistac Natural Area Wetland Mitigation
- Yerba Buena Site Development
- Convention Center Ballroom Expansion

## **Redevelopment Agency CIP Projects Transferring To City (Cont'd)**

- Northside Branch Library
- Convention Center Fire Alarm Upgrade
- San Tomas Aquino Creek Trail Spur Trail
- Martinson Day Care Center
- Walsh Avenue Sanitary Sewer Improvements
- Yerba Buena Site Development Fees
- RDA Project Major Refurbishment
- Downtown Revitalization

## **Redevelopment Agency CIP Projects Transferring To City (Cont'd)**

- Housing Administration of Grants to Non-Profit Housing Service Providers
- First Time Homebuyers Financing Program
- BAREC Senior Housing (2 Projects)
- SCCo Surplus Site Monroe/San Thomas Expressway
- First Time Homebuyer Program  
Condominium Conversion

## **Redevelopment Agency CIP Projects Transferring To City (Cont'd)**

- Bill Wilson Center - The Commons Project
- Downtown Housing (2 Projects)
- ROEM Corp Housing Project
- Charities Housing Acquisition-Rehab Project
- Purchase Old Fire Station #6 Site
- Neighborhood Conservation & Improvement Program (NCIP) Phase IV



## **Redevelopment Agency CIP Projects Transferring To City (Cont'd)**

- 1410 El Camino Real Housing Project
- Acquisition of City Housing

## **Redevelopment Agency CIP Projects Transferring To Stadium Authority**

- Stadium Site Reimbursable Development Fees
- Agency Stadium Investment