

RESOLUTION NO. 2016-10 (OVERSIGHT BOARD)

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA AUTHORIZING A MODIFICATION OF THE PURCHASE PRICE IN THAT FIRST AMENDMENT FOR THE PURCHASE AND SALE OF 5451-5455 GREAT AMERICA PARKWAY WITH PC SANTA CLARA GATEWAY 2, LLC TO \$112,250,000

BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, the former Redevelopment Agency of the City of Santa Clara ("Former RDA"), prior to its dissolution effective February 1, 2012, acquired certain properties including the property located at 5451-5455 Great America Parkway ("Gateway Property") for redevelopment purposes;

WHEREAS, the Gateway Property is leased to the Irvine Company, LLC pursuant to the terms of that certain Ground Lease dated February 14, 2001 ("Ground Lease");

WHEREAS, the Former RDA, along with all redevelopment agencies in the State of California, was dissolved effective February 1, 2012, in accordance with AB 1X 26 (the "Dissolution Act");

WHEREAS, the City in accordance with the Dissolution Act elected to act as the successor agency to the Former RDA;

WHEREAS, the Dissolution Act, as amended by AB 1484, clarified that the successor agency is a separate legal entity from the City;

WHEREAS, in accordance with the Dissolution Act, the assets of the Former RDA were transferred to the Successor Agency to the Former RDA;

WHEREAS, the Successor Agency prepared a Long Range Property Management Plan ("LRPMP")

in accordance with the Dissolution Act, which LRPMP was approved by the Oversight Board to the Successor Agency and the California Department of Finance ("DOF");

WHEREAS, the LRPMP calls for the Successor Agency to dispose of the Gateway Property and the proceeds of sale to be used first to pay enforceable obligations of the Successor Agency and if there are remaining proceeds after payment of enforceable obligations, for the distribution of the remaining proceeds to the affected taxing entities;

WHEREAS, the Oversight Board to the Successor Agency authorized a disposition process for the disposition of the Former RDA's properties, including the Gateway Property, including hiring a real estate broker to solicit offers for the Gateway Property;

WHEREAS, the Successor Agency authorized the sale of the Gateway Property to DivcoWest Acquisitions, LLC ("Divco") for \$114,250,000 by Resolution No. 16-8378 on November 15, 2016 and the Oversight Board authorized the transaction by Resolution No. 2016-09 on November 18, 2016;

WHEREAS, the Successor Agency executed an Agreement for the Purchase and Sale of Property with PC Santa Clara Gateway 2, a Divco-related entity, on November 30, 2016;

WHEREAS, on December 5, 2016 PC Santa Clara Gateway 2, LLC (Buyer) requested a reduction in the purchase price to \$112,250,000 due to the rise in interest rates subsequent to the offer to purchase;

WHEREAS, Eastdil Secured, the authorized Successor Agency broker, reviewed the request based on trending capital markets and the likelihood of being able to secure an equal alternate offer and reported its findings to the Successor Agency and Oversight Board Evaluation Team ;

WHEREAS, it is unclear that the Successor Agency will be able to secure a binding contract for a

higher amount than \$112,250,000 and a further delay in the sale of the Gateway Property may result in a further reduced sale price;

WHEREAS, under the authority provided to the Executive Director on November 15, 2016, the Successor Agency executed a First Amendment to the Agreement for the Purchase and Sale of Property which allows for a price reduction to \$112,250,000 effective only if authorized by the City Council acting as the Successor Agency and the Oversight Board; and,

WHEREAS, the City Council acting as the governing board of the Successor Agency has determined that sale of the Gateway Property to Buyer is in the best interest of the Successor Agency, meets the requirements of the LRPMP, is consistent with the Dissolution Act and that the reduction in the purchase price is in the best interest of the Successor Agency and the taxing entities;

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE CITY OF SANTA CLARA REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. That the Oversight Board hereby finds, resolves and determines that the foregoing recitals are true and correct, and, together with information provided by the Successor Agency staff, Oversight Board Evaluation Team, and the public form the basis for the approvals, findings, resolutions and determinations set forth below.

SECTION 2. The sale of the Gateway Property to Buyer meets the requirements of the LRPMP, is consistent with the Dissolution Act, and is in the best interest of the taxing entities.

SECTION 3. The Oversight Board hereby approves the sale of the Gateway Property to PC Santa Clara Gateway 2, LLC and hereby authorizes the reduction in the purchase price of the Property to \$112,250,000 and authorizes the Successor Agency to take all actions necessary to

consummate the sale.

SECTION 4. This Resolution shall take effect immediately in accordance with Health and Safety Code Section 34191.5(f).

SECTION 5. Severability. If any provision or clause of the Resolution or application thereof is held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other provisions or clause or application; and to this end, the provisions of this Resolution are declared to be severable.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE CITY OF SANTA CLARA REDEVELOPMENT AGENCY FOR THE CITY OF SANTA CLARA, AT A SPECIAL MEETING THEREOF HELD ON THE 15th DAY OF DECEMBER 2016, BY THE FOLLOWING VOTE:

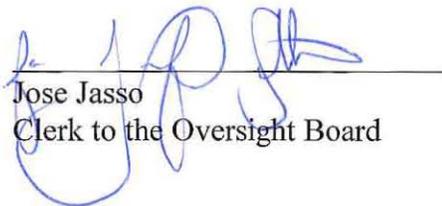
AYES:	BOARD MEMBERS:	Ameling, Cauble, Gillmor, Maduli, Tinsley, Williams and Chairperson Gage
NOES:	BOARD MEMBERS:	None
ABSENT:	BOARD MEMBERS:	None
ABSTAINED:	BOARD MEMBERS:	None

APPROVE:



 Don F. Gage
 Chairperson

ATTEST:



 Jose Jasso
 Clerk to the Oversight Board

Attachments incorporated by reference:
Purchase and Sale Agreement with PC Santa Clara Gateway 2, LLC
First Amendment to Purchase and Sale Agreement