

Meeting Date: \_\_\_\_\_

11/15/11

# AGENDA REPORT

City of Santa Clara, California

Agenda Item # \_\_\_\_\_

5B

Santa Clara



**DATE:** November 10, 2011

**TO:** City Manager for Council Action  
Executive Director for Redevelopment Agency Information

**FROM:** Director of Finance  
Redevelopment Agency Treasurer

**SUBJECT:** Special Order of Business: Council Authorization to Set the Council Meeting of December 6, 2011 for the Consideration to Approve or Disapprove the Proposed Transfer of Ownership of the Great America Theme Park Lease from the Current Lessee, Cedar Fair, L.P., to the Proposed Lessee, JMA Ventures, L.L.C. or an affiliate of JMA

## EXECUTIVE SUMMARY

The City has been informed that Cedar Fair, L.P. is in negotiations to sell its interest in Santa Clara's Great America Theme Park to JMA Ventures, L.L.C., a privately held limited liability corporation or an affiliate of JMA. JMA is a full service real estate investment firm, founded in 1986, that serves as managing partner of over \$500 million in existing projects spanning hospitality, leisure, residential developments, retail, office and industrial/telecom.

Staff was working towards bringing the transfer request forward for Council consideration at their December 6, 2011 meeting. Staff has been notified by Cedar Fair and JMA that they are committed to closing the transfer transaction no later than December 31, 2011. As Lessor under the Theme Park Ground Lease, the City has approval rights over the transfer of the leasehold interest in the property and approval of the park operator and any leasehold financing. The Theme Park Ground Lease provides that required City approvals of the transfer of the leasehold interest in the property will be based on financial capability and overall experience and competence of the proposed transferee.

## ADVANTAGES AND DISADVANTAGES OF ISSUE

Staff is responding in a very short timeline to the proposed approval of the Park transfer and financing. It is in the City's best interests to ensure that the new owner/operator has the financial and operating capability to continue the long-term success of the Park. Staff has been reviewing operating and financial information provided by JMA over the past few weeks. In addition, JMA is requesting an amendment to the existing ground lease with the intent to make the project more financeable and to clarify and/or modify certain terms and conditions of the lease. While the short closing period entails challenges, meeting this timeframe is in keeping with Staff's long-term commitment to economic development and positive Lessor/Lessee relationships.

## ECONOMIC/FISCAL IMPACT

There would be no fiscal impact to the City in setting a calendar date to consider the approval of the transfer of the Theme Park lease.

City Manager for Council Action

Executive Director for Redevelopment Agency Information

Subject: Setting the Date of December 6, 2011 for Council Consideration of the Approval or Disapproval of the Great America Theme Park Ground Lease to JMA Ventures, LLC or an affiliate of JMA

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**RECOMMENDATION:**

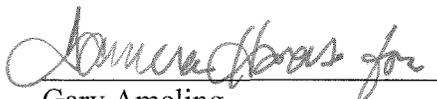
That the City Council:

- 1) Set December 6, 2011 for the Consideration to Approve or Disapprove the Proposed Transfer of Ownership of the Great America Theme Park Lease from the Current Lessee, Cedar Fair, L.P., to the Proposed Lessee, JMA Ventures, L.L.C. or an affiliate of JMA.

That the Redevelopment Agency:

- 1) Note and file the report.

APPROVED:

  
\_\_\_\_\_  
Gary Ameling  
Director of Finance/  
Redevelopment Agency Treasurer

  
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for Jennifer Sparacino  
City Manager/  
Executive Director of Redevelopment Agency

**Documents related to this report: None**