

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 2026-

**AUTHORIZING THE APPROVAL OF THE COMPENSATION AGREEMENT TRANSFERRING
THREE PUBLIC PARKING GARAGE PARCELS IN SUNNYVALE FROM THE
SUNNYVALE SUCCESSOR AGENCY TO THE CITY OF SUNNYVALE**

WHEREAS, all California redevelopment agencies were dissolved by the enactment of AB XI-26 in 2011, subsequently amended by AB 1484 (2012) and SB 107 (2015) (collectively, the "Dissolution Law") and created successor agencies to wind down and dispose of all assets of the former redevelopment agencies; and

WHEREAS, pursuant to Assembly Bill No. XI-26 ("AB 26"), and the California Supreme Court's decision in California Redevelopment Assn. v. Matosantos (2011) 53 Cal.4th 231, the Redevelopment Agency of the City of Sunnyvale ("Former Redevelopment Agency") was dissolved on February 1, 2012, and the Successor Agency to the Redevelopment Agency of the City of Sunnyvale (the "Successor Agency") succeeded the Former Redevelopment Agency; and

WHEREAS, subsequently, Assembly Bill 1484, passed by the Legislature of the State of California and signed by the Governor of the State of California in June 2012, added Section 34187, subdivision (b) to the California Health and Safety Code, which section provides that within 30 days after all of the debts of a redevelopment agency are retired or paid off, all real property has been disposed of, and all outstanding litigation has been resolved, its successor agency shall submit a request to terminate its existence; and

WHEREAS, pursuant to Section 34181, subdivision (a)(I), of the California Health and Safety Code, the Successor Agency is required to dispose of all assets of the Former Redevelopment Agency or transfer ownership of those assets that were constructed and used for a governmental purpose to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset; and

WHEREAS, the last remaining properties the Successor Agency has in its possession are three parcels (Assessor Parcel Nos. 209-34-021, 209-34-025, and 209-35-014, collectively, "the Properties") from the Former Redevelopment Agency that are all currently being utilized as public parking garages within the mixed-use development formerly known as the Sunnyvale Town Center; and

WHEREAS, a transfer of the Properties from the Successor Agency to the City of Sunnyvale ("City") would serve the public interest by enabling the Successor Agency to initiate the dissolution process in accordance with California Health and Safety Code section 34187, and where dissolving the Successor Agency would benefit the County of Santa Clara ("County"), City, and other affected taxing entities (collectively, "Affected Taxing Entities") within the former Sunnyvale redevelopment area, including Valley Water, by eliminating staff time and resources associated with the annual preparation, review, and adjudication of the Successor Agency's Recognized Obligation Payment Schedule (ROPS); and

WHEREAS, pursuant to Section 34180, subdivision (f)(1), of the California Health and Safety Code, the City has requested that the Oversight Board and the other Affected Taxing Entities enter into a Compensation Agreement to accomplish the transfer of the Properties from the Successor Agency to the City; and

WHEREAS, the Compensation Agreement involves no payment or future revenue sharing with the Affected Taxing Entities in exchange for releasing the County and the other Affected Taxing Entities from any future liability associated with underground perchloroethylene ("PCE") contamination on the Properties; and upon transfer of the Properties, the City will assume all liability for the property associated with the PCE contamination; and moreover, once the Properties transfer and the Successor Agency dissolves, the Successor Agency's share of annual PCE monitoring costs would be paid by the City outside of the ROPS process; and

WHEREAS, City will obtain a 10-year environmental liability insurance policy; part of the cost for which the Successor Agency is anticipated to include in the amended ROPS for Oversight Board approval at its September 25, 2026 meeting; and whereas the City will be responsible for purchasing any subsequent liability insurance policies at the conclusion of the 10-year period; and

WHEREAS, the City controlling the Properties increases their potential for redevelopment for higher-value uses over the long term, which would increase property tax revenue for all taxing entities; and moreover, the dissolution of the Successor Agency will eliminate the requirement to redirect its share of tax increment to the Redevelopment Property Tax Trust Fund; and

WHEREAS, pursuant to Section 31(a) of the District Act, the Board may dispose of an interest in real property by resolution duly entered into their minutes; and

WHEREAS, this transfer would release Valley Water from any future liability with respect to the physical condition of the Properties, remove Valley Water's administrative and financial burdens associated with the Successor Agency's continued operation, and potentially increase Valley Water's future property tax revenues as a taxing entity; and

WHEREAS, pursuant to Section 31(g) of the District Act, the Board may by a majority vote transfer to any city within the Santa Clara Valley Water District any interest in real property belonging to the district.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District finds, determines, and hereby declares:

1. All of the recitals above set forth are true and correct.
2. This resolution is adopted pursuant to Section 34180, subdivision (f), of the California Health and Safety Code and Section 31, subdivisions (a) and (g) of the District Act.
3. The Valley Water Board hereby authorizes the Successor Agency to the Redevelopment Agency of the City of Sunnyvale to execute and implement the Compensation Agreement related to the disposition of the real properties known as the Sunnyvale Town Center public parking garage parcels (Assessor Parcel Nos. 209-34-021, 209-34-025, and 209-35-014).

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote, on July 14, 2026.

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST

CANDICE KWOK-SMITH
Clerk, Board of Directors