

RESOLUTION NO. OB-2026-4

**RESOLUTION OF THE REDEVELOPMENT DISSOLUTION
COUNTYWIDE OVERSIGHT BOARD OF SANTA CLARA
COUNTY AUTHORIZING 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 PROPERTY WITHIN THE
AREA COMMONLY KNOWN AS THE SUNNYVALE TOWN
CENTER**

WHEREAS, all California redevelopment agencies were dissolved by the enactment of AB xl 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;

WHEREAS, pursuant to Assembly Bill No. X1-26 (“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;

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 one year 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 terminate its existence;

WHEREAS, pursuant to Section 34179 of the California Health and Safety Code, the Santa Clara County Redevelopment Dissolution Countywide Oversight Board (the “Oversight Board”) acts as the oversight board for the Successor Agency;

WHEREAS, pursuant to Section 34181, subdivision (a)(1), of the California Health and Safety Code, the Successor Agency is required to dispose of all assets of the Former Redevelopment Agency;

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;

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 school districts and special districts, by eliminating staff time and resources associated with the annual preparation, review, and adjudication of the Successor Agency’s Recognized Obligation Payment Schedule (ROPS);

WHEREAS, pursuant to Section 34180, subdivision (f), 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;

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;

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.

NOW, THEREFORE, BE IT RESOLVED by the Santa Clara County Redevelopment Dissolution Countywide Oversight Board, as follows:

SECTION 1. All of the recitals above set forth are true and correct, and the Oversight Board hereby so finds and determines.

SECTION 2. This resolution is adopted pursuant to Section 34180, subdivision (f), of the California Health and Safety Code.

SECTION 3. The Oversight 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).

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SECTION 4. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED by the Redevelopment Dissolution Countywide Oversight Board of Santa Clara County in the County of Santa Clara, State of California, on

January 29, 2026, by the following vote:

AYES: Barry, Estremera, Gomez, Chim, Snow, Pascoal

NOES: None

ABSTAIN: None

ABSENT: Klein


Chair

Redevelopment Dissolution Oversight Board of
Santa Clara County

ATTEST:



CURTIS BOONE

Clerk of the Countywide Oversight Board

**APPROVED AS TO FORM
AND LEGALITY:**



RAJIV NARAYAN

Deputy County Counsel

Exhibits:

1. Compensation Agreement

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Sunnyvale
456 West Olive Avenue
Sunnyvale, CA 94086
Attn: City Attorney's Office

Redevelopment Countywide Oversight
Board of Santa Clara County
70 W. Hedding St, 2nd Floor
San Jose, CA 95110
Attn: County Auditor-Controller

Recorded Without Fee Pursuant to Gov. Code § 27383

COMPENSATION AGREEMENT FOR SUNNYVALE TOWN CENTER PARCELS

This Compensation Agreement (“Agreement”) is made and entered into by and among the Successor Agency of the Redevelopment Agency of the City of Sunnyvale, a public entity established under Health and Safety Code section 34173 (the “Successor Agency”); the City of Sunnyvale, a California municipal corporation (“City”); and each of the undersigned local agencies and school districts, each of which is a taxing entity as defined by Health and Safety Code section 34171(k) (the “Taxing Entities”), with the consent of the Redevelopment Dissolution Countywide Oversight Board of Santa Clara County, established under Health and Safety Code section 34179 (the “Oversight Board”). The Successor Agency, the City, and the Taxing Entities are collectively the “Parties” and each a “Party.” The “Effective Date” of this Agreement is the date on which it has been executed by all Parties.

RECITALS

WHEREAS, the Successor Agency is the owner of three properties located at 325 South Taaffe Street (APN 209-34-021) (“Parcel 1”), 225 South Taaffe Street (APN 209-34-025) (“Parcel 2”), and 330 S. Murphy Ave (APN 209-35-014) (“Parcel 3”), all of which are located in the City of Sunnyvale, Santa Clara County, California, and are more particularly described in Exhibit A attached hereto and incorporated herein by reference (collectively, the “Property” or the “Parcels”); and

WHEREAS, Parcel 1 and Parcel 2 are developed with two multi-level parking structures that are owned by STC Venture LLC, a Delaware limited liability company, (“Owner”), the owner of the Sunnyvale Town Center mixed-use development (the “Town Center”); and

WHEREAS, Parcel 1 and Parcel 2 are currently subject to the Public Parking Ground Lease Sunnyvale Town Center, dated September 28, 2007, as amended by the First Amendment to Public Parking Ground Lease, dated August 2, 2010 and the Second Amendment to Public

Parking Ground Lease, dated September 23, 2016 (as amended, the “Public Parking Ground Lease”); and

WHEREAS, pursuant to the Public Parking Ground Lease, the Owner pays the Successor Agency \$1.00/year in nominal rental payments relating to Parcels 1 and 2 and other property not subject to this Agreement (“Nominal Rent”); and

WHEREAS, the Public Parking Ground Lease has a term of ninety-nine (99) years commencing on September 28, 2007, subject to the obligation for good faith negotiations regarding an extension of at least 10-years if certain conditions are met; and

WHEREAS, Parcel 3 is developed with a parking structure that is owned by the Successor Agency and subject to an Operations and Maintenance Agreement and easement for the benefit of the Owner which operates the parking structure located on Parcel 3; and

WHEREAS, the City expressly acknowledges and understands that environmental contamination affecting Parcel 3 predates the execution of this Agreement; and

WHEREAS, pursuant to Health and Safety Code section 34180(f), the City has requested that the Taxing Entities enter into this Agreement to accomplish the transfer of the Parcels from the Successor Agency to the City; and

WHEREAS, the transfer of the Parcels in accordance with the terms of this Agreement will allow termination of the Successor Agency, and the Parties agree to cooperate to expeditiously achieve such termination; and

WHEREAS, the Parties desire to enter into this Agreement to convey the Property to the City for public use under the terms and conditions of this Agreement; and

WHEREAS, the Redevelopment Dissolution Oversight Board of Santa Clara County is scheduled to consider this Agreement on January 29, 2026.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree to all of the following terms and conditions:

TERMS & CONDITIONS

Section 1. Incorporation of Recitals. The Parties agree that all of the above Recitals are true and correct and are incorporated in this Agreement’s terms and conditions.

Section 2. Purchase of Environmental Insurance Policy. No later than 30 days after the approval by the California Department of Finance of an amendment to the Successor Agency’s 2025-2026 Recognized Obligation Payment Schedule or the approval of the Successor Agency’s 2026-2027 Recognized Obligation Payment Schedule, adding to the costs of the environmental remediation for Parcel 3 the costs of an environmental insurance policy

(“Environment Insurance Policy”) , the Successor Agency shall purchase such Environmental Insurance Policy that meets all of the following criteria:

- (a) Has a term of 10 years;
- (b) Is transferrable to successive property owners;
- (c) Does not cost more than the amount allowed on the Successor Agency’s Recognized Obligation Payment Schedule for the purchase of such Environmental Insurance Policy;
- (d) Contains or includes an endorsement for the following: i) bodily injury (including death), property damage and environmental cleanup costs, both on the Property and off-site; (ii) transportation of any waste, including loading and unloading from the Property to the final disposal location, with all such disposal locations being scheduled or covered as non-owned disposal sites under the Environmental Insurance Policy.
- (e) Has a reverse-retroactive date of policy inception providing coverage for pre-existing pollution conditions;
- (f) Has a minimum limit of \$25,000,000.

Section 3. Conveyance of Property to City.

(a) **Conveyance.** Subject to the terms and conditions of this Agreement, the Successor Agency shall convey its interest in and to the Property to the City at no cost by quitclaim deed no later than 60 days after the Effective Date or the Successor Agency’s purchase of the Environmental Insurance Policy, whichever is later, unless otherwise extended by the Parties for good cause. Any costs of escrow and title associated with the conveyance of the Property to the City shall be borne by the City. The City shall promptly provide the Taxing Entities copies of the recorded quitclaim deed.

(b) **Release.** Except as expressly provided herein, upon the close of escrow and delivery of the quitclaim deed, City hereby waives, releases, acquits, and forever discharges Successor Agency and Taxing Entities, and Successor Agency’s and Taxing Entities’ agents, directors, officers, and employees to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs, expenses, compensation, attorneys’ fees, consultants’ fees and costs and expert fees (collectively “Claims”) whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or that may arise in the future because of or in any way growing out of or connected with the physical condition of the Property, including without limitation, the physical and environmental condition of the Property or any law or regulation applicable thereto, including, without limitation, any Claim or matter (regardless of when it first appeared) relating to or arising from (i) the presence of any environmental problems, or the use, presence, storage, release, discharge, or migration of hazardous materials on, in, under or around the Property regardless of when such hazardous materials were first introduced in, on or about the Property, (ii) any patent or latent defects or

deficiencies with respect to the Property, (iii) any and all matters related to the Property or any portion thereof, including without limitation, the condition and/or operation of the Property and each part thereof, and (iv) the presence, release and/or remediation of asbestos and asbestos containing materials in, on or about the Property regardless of when such asbestos and asbestos containing materials were first introduced in, on or about the Property. City further hereby waives and agrees not to commence any action, legal proceeding, cause of action or suit in law or equity, of whatever kind or nature, including, but not limited to, a private right of action under the federal superfund laws, 42 U.S.C. Section 9601 *et seq.* and California Health and Safety Code section 78000 *et seq.* (as such laws and statutes may be amended, supplemented or replaced from time to time), directly or indirectly, against Successor Agency, any Taxing Entity, or Successor Agency's or Taxing Entities' agents, directors, officers, and employees in connection with the Property, except matters arising from Successor Agency's fraud, intentional misrepresentation, or concealment.

AS IS CONDITION OF PROPERTY. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IT IS UNDERSTOOD AND AGREED THAT THE SUCCESSOR AGENCY IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY. THE CITY ACKNOWLEDGES AND AGREES THAT UPON THE CLOSING DATE THE SUCCESSOR AGENCY SHALL SELL AND CONVEY THE PROPERTY TO THE CITY "IN ITS THEN EXISTING CONDITION AS IS, WHERE IS, WITH ALL FAULTS" EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT, THE CITY HAS NOT RELIED AND WILL NOT RELY ON, AND THE SUCCESSOR AGENCY IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO MADE OR FURNISHED BY THE SUCCESSOR AGENCY OR ANY AGENT PURPORTING TO REPRESENT THE SUCCESSOR AGENCY, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT.

THE CITY REPRESENTS TO THE SUCCESSOR AGENCY THAT CITY HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS THE CITY

DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS MATERIALS ON OR DISCHARGED FROM THE PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SUCCESSOR AGENCY OR ITS AGENTS, OTHER THAN SUCH REPRESENTATIONS AND WARRANTIES OF SUCCESSOR AGENCY AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT. UPON CLOSING, SUBJECT TO SUCH REPRESENTATIONS AND WARRANTIES OF THE SUCCESSOR AGENCY AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT, THE CITY SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY THE CITY'S INVESTIGATIONS.

IN CONNECTION WITH THE RELEASE PROVIDED FOR IN THIS AGREEMENT, CITY EXPRESSLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES THAT:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY;

THE COVENANTS SET FORTH IN THIS SECTION SHALL SURVIVE CLOSE OF ESCROW AND DELIVERY OF THE QUIT CLAIM DEED(S).

Section 4. Recordation of this Agreement. Upon full execution of this Agreement the City shall cause this Agreement to be recorded against the Property in the Santa Clara County Office of the Clerk-Recorder. The City shall promptly provide the Taxing Entities with a recorded copy of this Agreement. Upon the transfer of the Property to the City pursuant to Section 3(a) above, the Parties agree that the County and the City can execute and record a release of this Agreement to be recorded in the Official Records and the County's execution of

such release shall be conclusive evidence that the Agreement has been fully performed and none of the Taxing Entities shall have any further rights or obligations under this Agreement after recordation of such a release, except that the covenants set forth in Section 3(b) shall survive.

Section 5. Miscellaneous Provisions.

(a) **Non-Waiver.** No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the waiving Parties.

(b) **No Partnership.** Nothing contained in this Agreement shall be construed to constitute any Party as a partner, employee, joint venturer, or agent of any other Party.

(c) **Notices.** All deliveries, notices, requests, demands or other communications provided for or required by this Agreement shall be in writing and shall be deemed to have been given when sent by registered or certified mail, return receipt requested; when sent by overnight carrier; or upon email confirmation to sender of receipt of a facsimile communication which is followed by a mailed hard copy from sender. Notices shall be addressed as specified in each Party's signature block.

(d) **Severability.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been contained herein.

(e) **Time is of the Essence.** Time is of the essence regarding each and all of the agreements, covenants, and conditions of this Agreement.

(f) **Ambiguities.** Any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

(g) **Integration.** This instrument constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral or written.

(h) **Amendment.** This Agreement may be modified only in writing and only if signed by the Taxing Entities and the City at the time of the modification. Following the execution of this Agreement, the Successor Agency's consent shall not be required for any modification of the Agreement.

(i) **Governing Law.** This Agreement shall be construed and interpreted according to the laws of the State of California, excluding its conflict of law principles. Proper venue for legal actions will be exclusively vested in a state court in the County of Santa Clara. The Parties agree that subject matter and personal jurisdiction are proper in state court in the County of Santa Clara and waive all venue objections.

(j) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be considered an original, but all of which together will constitute one and the same instrument.

(k) **Contract Execution.** Unless otherwise prohibited by law or County policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by the County.

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

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF SUNNYVALE**

Approved as to form:

DocuSigned by:
 1/8/2026
4004B8486114497...
REBECCA MOON
Agency General Counsel

Signed by:
 1/8/2026
By: A38667B67C1D420...
Name: Tim Kirby
Title: Executive Director
Address: 456 West Olive Ave.
Sunnyvale, CA 94088-3707

CITY OF SUNNYVALE

Approved as to form:

DocuSigned by:
 1/8/2026
4004B8486114497...
REBECCA MOON
City Attorney

Signed by:
 1/8/2026
By: A38667B67C1D420...
Name: Tim Kirby
Title: City Manager
Address: 456 West Olive Ave.
Sunnyvale, CA 94088-3707

**SANTA CLARA COUNTY
AUDITOR-CONTROLLER**

Approved as to form and legality:

DocuSigned by:
 1/8/2026
837350331D49499...
Rajiv Narayan
Deputy County Counsel

DocuSigned by:
 1/9/2026
By: 88C20E0A14E143D...
Name: Margaret Olaiya
Title: Director, Finance Agency
70 W. Hedding Street
East Wing, 2nd Floor
San Jose, CA 95110

CONSENT OF OVERSIGHT BOARD

Signed by:
By: David Snow, Vice Chairperson

B5D9BCE6FA9446...
Name: David Snow

Title: Vice Chairperson

Date: 1/29/2026

TAXING ENTITIES

Approved as to form and legality:

DocuSigned by:
Rajiv Narayan 1/8/2026
Rajiv Narayan
Deputy County Counsel

COUNTY OF SANTA CLARA

By: 
Name: Otto Lee
Title: President, Board of Supervisors
70 W. Hedding Street
East Wing, 10th Floor
San Jose, CA 95110

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors.

ATTEST:

 FOR
CURTIS BOONE
Clerk of the Board of Supervisors

FREMONT UNION HIGH SCHOOL DISTRICT

By: _____
Name: _____
Title: _____
Address: _____

SUNNYVALE ELEMENTARY SCHOOL DISTRICT

By: _____
Name: _____
Title: _____
Address: _____

SANTA CLARA COUNTY OFFICE OF EDUCATION

By: _____
Name: _____
Title: _____
Address: _____

FOOTHILL-DeANZA COMMUNITY COLLEGE DISTRICT

By: _____
Name: _____
Title: _____
Address: _____

EL CAMINO HEALTHCARE DISTRICT

By: _____
Name: _____
Title: _____
Address: _____

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

By: _____
Name: _____
Title: _____
Address: _____

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

By: _____
Name: _____
Title: _____
Address: _____

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Name: _____
Title: _____
Address: _____

Exhibits:
A – Legal Description

EXHIBIT A
LEGAL DESCRIPTION

Lot 3, Block 1, Tract No. 9925

All that certain real property situate in the City of Sunnyvale, County of Santa Clara, State of California, described as follows:

Being all of Lot 3, Block 1, Tract No. 9925, entitled "Sunnyvale Town Center," filed October 1, 2007, in Book 818 of Maps at Pages 45 through 55 inclusive, Records of Santa Clara County.

Lot 4, Block 2, Tract No. 9925

All that certain real property situate in the City of Sunnyvale, County of Santa Clara, State of California, described as follows:

Being all of Lot 4, Block 2, Tract No. 9925, entitled "Sunnyvale Town Center," filed October 1, 2007, in Book 818 of Maps at Pages 45 through 55 inclusive, Records of Santa Clara County.

Lot 2, Block 5, Tract No. 9925

All that certain real property situate in the City of Sunnyvale, County of Santa Clara, State of California, described as follows:

Being all of Lot 2, Block 5, Tract No. 9925, entitled "Sunnyvale Town Center," filed October 1, 2007, in Book 818 of Maps at Pages 45 through 55 inclusive, Records of Santa Clara County.