

Sunnyvale Successor Agency
SUNNYVALE TOWN CENTER PROJECT

Study Session – June 28, 2016

2016 MRADDOPA*

* Modified and Restated Disposition and Development
and Owner Participation Agreement

FPPC Advice Letter

- ***PART A:***
 - All MRADDOPA provisions, except Developer TIF Payment and Liquidated Damages
- ***PART B:***
 - Developer TIF Payment
 - Liquidated Damages

MURPHY AVE.

WASHINGTON AVE.

MATHILDA AVE.

BUILDING T
~110,000 SF Retail land site
(theater & potential grocer)

BLOCK 6
Land site

PD-5

LOT T-1
Land Site
Entitled
for 18
residential
units

macy's
(NAP)

REDWOOD SQUARE
Partially complete
entitled for ~132,000 SF
of retail

BUILDING N-1
Partially complete
~32,000 SF
street retail

TARGET
(NAP)

LOT N-1
Land Site
Entitled for
10 residential
units

BUILDING D
Exterior complete
50-unit condominium
complex with ground
floor retail

PD-2

BUILDING E
Exterior complete
74-unit condominium
complex with ground
floor retail

BUILDING F
Exterior complete
74-unit condominium
complex with ground
floor retail

PD-1

LOT F-1
Land Site
Entitled
for 72
residential
units

BUILDING C
156,960 SF office
building, 100%
leased to
NOKIA

BUILDING A
156,960 SF office
building, 100%
leased to
Apple

BUILDING B
Land Site
Entitled for ~44,000
SF of retail & office

NAP



Amendments to Special Development Permit

- Rental Housing
- Below Market Rate Housing (12.5%)
- Temporary Redwood Square Improvements
- Green Building Standards
- Smart City Technology
- Climate Action Plan Compliance

No Change to Project Development Plan

- 931,385 sf Retail & Restaurant Uses
- 315,000 sf Office Uses
- 292 Residential Units
- 200-room Hotel
- Parking Structures
- Street Improvements
- Redwood Square

2016 MRADDOPA Approval Process

- Oversight Board study sessions
 - Fiduciary responsibility to taxing entities
 - Successor Agency wind down
 - Environmental costs and liability
- Successor Agency approval
- Oversight Board approval
- Department of Finance review

2016 MRADDOPA Amendments

ADDOPA Amendments

Revised Minimum Project

LAND USE	2010 ADDOPA	2016 MRADDOPA
Theater	Up to 2,950 seats	Up to 2,950 seats
Retail (w/ theater)	329,700 sf	247,900 sf*
Office	273,000 sf	273,000 sf
Parking	Approx. 3,500 spaces	Approx. 3,500 spaces
Redwood Square	Permanent Improvements	Temporary Improvements
Street & Traffic Improvements	Includes Murphy Avenue Extension	Includes Murphy Avenue Extension; Current City Standards

* Includes deletion of 127,800 sf in Redwood Square and addition of 60,000 sf in theater building (two-stories)

Ground Floor Retail – 2017-2020



ADDOPA Amendments

Minimum Project Construction Schedule

☐ *Fall 2016*

- Building permits, subdivision agreement, improvement plans
- Demolish Block 3 steel framing

☐ *Spring 2017*

- Complete Redwood Square temporary improvements
- Commence residential mixed use buildings
- Commence theater/retail building

ADDOPA Amendments

Minimum Project Construction Schedule

□ Fall 2018/Spring 2019

- Residential mixed use buildings
- Theater-retail building
- Retail improvements
- Parking structures
- Street improvements

Change of Developer (Article 6)

- ***Assumption*** of residential or commercial partner does not require Executive Director approval
- ***Replacement*** of residential or commercial partner requires Executive Director approval
- ***Transfer*** to “Developer’s Affiliate” not currently member of Developer requires Executive Director approval
- ***Transfer*** of Public Parking Ground Lease requires Successor Agency approval of property owners association

ADDOPA Amendments

Penney's Structure Easement

- Existing Operation and Maintenance Agreement
- Proposed Easement Agreement for certainty of theater parking
- Continuing obligation for public parking

ADDOPA Amendments

Environmental Remediation *(continuing discussion)*

- Successor Agency and Developer continue to share environmental costs costs
- ***Block 6 (Lots 1, 3 & 4):***
 - Covenant to Convey (July 2022)
 - Developer assumes 100% of costs
- ***Block 5 (Lot 2):***
 - Continue to meet and confer
 - Cooperate to reduce environmental costs and assign obligation

Summary of MRADDOPA Benefits

- New Developer Team
- Increase in Property Tax Revenue
- Elimination of Developer TIF Payments
- Reduction of Environmental Costs
- Redwood Square Temporary Improvements
- Public Parking and Street Improvements



Discussion Part A

ADDOPA Amendments

Developer Payment (Article 8)

- Eliminate tax increment (TIF) payments to Developer
- Remove obligation to taxing entities of \$50 to \$65 million
- Eliminate Mello-Roos Bond option
- Continue Developer's obligation to construct and maintain public parking and street improvements

ADDOPA Amendments

Liquidated Damages

- Substantial completion of Minimum Project by ***December 31, 2020***
- Maintain ***\$5 million*** for non-performance
- ***Commencement*** date based on lease commitments and City approvals
- ***Completion*** date based on projected construction schedule



Discussion Part B