

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



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

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



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


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

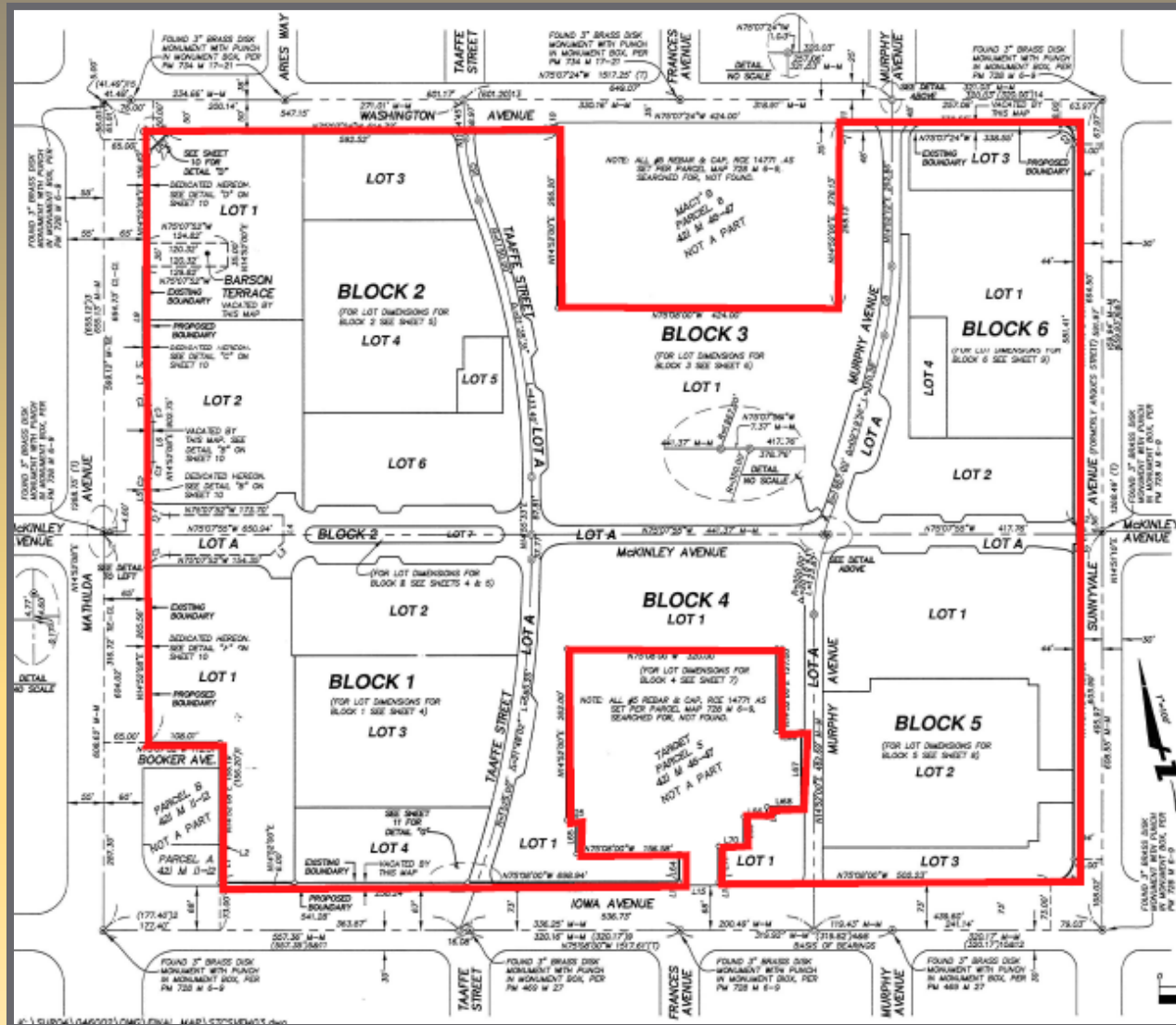
- 931,385 sf Retail & Restaurant Uses
- 315,000 sf Office Uses
- 292 Residential Units
- 200-room Hotel
- Parking Structures
- Street Improvements
- Redwood Square

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

2016 MRADDOPA Boundary Map



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	261,900 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)

Minimum Project - 2018



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