



COUNCIL REPORT

DATE: March 24, 2026

CATEGORY: Public Hearing

DEPT.: City Manager's Office

TITLE: **Economic Development Subsidy Report and Amended and Restated Disposition and Development Agreement and Amended and Restated Ground Leases for Hope Street Lots 4 and 8**

RECOMMENDATION

1. Hold a public hearing regarding an economic development subsidy report pursuant to California Government Code Section 53083 and provide to the public the information contained in Attachment 1 to the Council report.
2. Adopt a Resolution of the City Council of the City of Mountain View Approving Business Terms for and Authorizing the City Manager or Designee to Execute an Amended and Restated Disposition and Development Agreement and Amended and Restated Ground Leases Between the City of Mountain View and RGC Mountain View I, LLC, for the Development of Hope Street Lots 4 and 8; Making Findings for the Amended and Restated Ground Leases to Exceed Fifty-Five Years; and Finding that the Approval Does Not Constitute a Project Pursuant to the California Environmental Quality Act, to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

In 2015, Council directed staff to market a long-term ground lease opportunity for Hope Street Lots 4 and 8 (Figure 1) through a Request for Qualifications (RFQ) and a Request for Proposals (RFP) that would include a hotel.

On January 12, 2016, Council approved RGC Mountain View I, LLC (RGC) as the best-qualified developer to develop the Hope Street Lots and directed staff to proceed with entering into an Exclusive Right to Negotiate (ERN) Agreement and commence the negotiation process for development of



Figure 1: Lots 4 and 8 Location

a mixed-use hotel/office development with a unique hotel of at least three-diamond quality, an increase in the number of public parking spaces from 149 to a minimum of 225, revenue generation, and an agreement by the hotel operator to allow enhanced access to hotel employees for labor organizing activities and expedited union voting process.

On May 17, 2016, the Council authorized the City Manager to execute the Disposition and Development Agreement (DDA) and ground leases with RGC for the development of Hope Street Lots 4 and 8, with a hotel on Lot 4 and office/mixed use on Lot 8. The DDA was executed on May 25, 2017.

On November 27, 2018, Council approved the planning permits for the project, with the entitlements valid until November 27, 2020. Figure 2 provides the project descriptions approved with the entitlements. The entitlements were subsequently extended to November 27, 2023, having been granted an automatic one-year extension due to the pandemic and a one-time two-year extension consistent with City Code.



- Lot 4 - Hotel**
- 5-story, 179 rooms
 - Ground-floor lobby amenities, including a restaurant, bar, cafe, and courtyard
 - 3 levels of underground parking



- Lot 8 - Office/Mixed-Use**
- 4-story building with 49,000 square feet of office and 3,500 square feet of ground-floor retail
 - 3 levels of underground parking

Figure 2: Hope Street Lots Project Description (2018)

In September 2021, the City delivered a Notice of Intent to RGC to issue the building permits. Per the terms of the DDA, the Notice of Intent began a 90-day period for RGC to close its construction loans, pull the building permits, and begin construction. The DDA also included a Financing Extension clause that RGC could invoke during this 90-day period that allowed up to a 42-month extension to begin construction if certain Economic Feasibility Factors (EFF) could not be satisfied.

In December 2021, RGC invoked the DDA's Financing Extension. RGC submitted documentation on the pandemic's impact on the hotel industry and construction loan costs, demonstrating that the EFF could not be satisfied. RGC has periodically submitted updated documentation that the EFF could not be satisfied to maintain the Financing Extension. The 42-month limit for the Financing Extension was due to expire on June 21, 2025.

On June 10, 2025, Council approved an amendment to the DDA extending the Financing Extension to March 31, 2026, to provide time for City staff to negotiate further amendments to the DDA and ground leases related to delivery of the hotel and office developments and to update price and terms.

City Council met in closed session on May 27, 2025, November 4, 2025, and February 24, 2026, to discuss the price and terms for amendments to the DDA and ground leases with its real property negotiators. The recommended price and terms summarized in this Council report and listed in Exhibit A to the resolution are consistent with the direction received from Council.

ANALYSIS

Any action on this item is in Council's role as property owner, not as the land use authority. If the recommended actions are taken, the Council will consider the entitlement of the hotel and office building in its regulatory capacity at a later date, at which time the Council will also conduct environmental review of the project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000, *et seq.*) (CEQA).

Proposed Hotel and Office Development

In 2016, Council approved a DDA and leases that included constructing the hotel and office building concurrently and providing three levels of underground parking on both sites. The onset of the pandemic in 2020 negatively impacted the economics for this development. Both the hospitality industry and demand for office space significantly declined, reducing the potential to generate revenue. At the same time, construction costs escalated at a much higher rate than inflation.

The recommended amended and restated DDA (amended DDA) and amended and restated ground leases (amended leases or amended ground leases) incorporate the following three primary changes to address the changed conditions and position the City to realize the revenue and economic benefits from the development: 1) project timing; 2) parking requirements; and 3) City financial participation.

Project Timing

The amended DDA decouples the hotel and office building developments. The economics for a hotel development are improving. Visit California's *Economic Impact of Travel in California* report (2024) noted a 3% statewide increase in travel spending over the previous year, totaling \$157.3 billion. Santa Clara County experienced a 10.3% increase in direct travel spending, indicating strong regional recovery and sustained tourism demand. RGC has indicated there is renewed investor interest in moving forward with the hotel on Lot 4. While demand for new office space is starting to rebound, more time may be required before the office building can generate the investor interest needed to cover the development cost. Therefore, the amended DDA allows the hotel development to proceed first, followed by the office building.

Based on the performance requirements in the amended DDA, the hotel could open for business as early as mid-2029, but no later than spring 2031. For the office building, RGC must submit a Planned Community Permit application no later than June 30, 2029. Failure to meet the performance requirements in the business terms listed in Exhibit A to the Resolution will be grounds for the City to terminate the relevant amended ground lease. In addition, should the hotel not be constructed, the Lot 8 Office Building development will not proceed and both amended ground leases and the amended DDA will terminate.

Parking Requirements

The 2018 approved hotel and office projects included a total of 385 parking spaces across the two lots, which included replacing the 149 existing public parking spaces, providing 160 hotel and office parking spaces, and adding 76 new public parking spaces. This parking was to be provided in three levels of underground parking on both lots, and the City was to fund the new public parking spaces.

In the recommended amended DDA, the hotel will be built at-grade with no parking on site. A minimum of 60 parking spaces for hotel use will be provided through shared parking agreements with nearby properties using a valet-parking model, and RGC will pay \$6.6 million to the City for the new Lot 5 parking structure, which will provide the replacement parking for the existing public parking on Lot 4. RGC may propose an alternative means of providing the replacement public parking, which would be subject to approval by Council. Eliminating the underground parking from the hotel project will reduce the hotel development cost by \$35 million, helping to make the hotel financially feasible. In addition, it will reduce the construction impacts on the Castro Street businesses and shorten the construction timeline by at least six months.

The office development on Lot 8 would include approximately 110 parking spaces in two levels of underground parking to replace the existing public parking and provide parking for the office building.

City Financial Participation

In 2017, the hotel development cost (including parking) was estimated at \$80 million. To support the development, the City agreed to provide \$17.7 million in upfront capital funding and Transient Occupancy Tax (TOT) rebates for up to 10 years not to exceed \$7.8 million (net present value).

The new estimated hotel development cost (at-grade without parking) is approximately \$141.8 million. This cost estimate includes compliance with prevailing wage law for construction of the project. The amended DDA and amended ground lease do not include City up front capital funding, but do include rent reductions and TOT rebates after the hotel is constructed in order to make the hotel financially feasible. This approach minimizes the City's financial risk in the event the project construction does not proceed as intended or if hotel operation underperforms projections. More information about the City's financial participation is provided later in this Council report.

Lot 4 Hotel Business Terms

The recommended business terms for a hotel development on Lot 4 are listed in Exhibit A to the resolution and summarized below.

- **Project Scope:** The size and scale of the hotel building will be the same as the one that was approved in 2018. It will be a five-story hotel providing approximately 180 rooms and, at a minimum, a fitness center, approximately 5,000 square feet of indoor meeting and event space, and approximately 7,500 square feet of food and beverage space open to the public, including a rooftop hospitality terrace. An Upper Upscale or higher Qualified Hotel Brand is required. RGC is planning to develop a Marriott Autograph Collection Hotel.
- **Term of Amended Lease:** The term of the amended lease remains unchanged and is 55 years after lease commencement. RGC will have an option of four 10-year extensions for a potential total lease term of 95 years. The amended lease will be effective no later than the earlier of December 15, 2027, or within 90 days after the date the City issues the Permit Issue Letter for the building permit; however, RGC will not take possession of the property until issuance of the building permit. Lot 4 will continue to be used for public parking operated by the City following the Lease Effective Date until construction starts.

- **Labor Considerations:** The 2017 DDA included a provision for enhanced access to hotel employees for labor-organizing activities and an expedited union voting process. RGC entered into a Memorandum of Agreement (MOA) with UNITE HERE Local 19 establishing a process for UNITE HERE to organize hotel employees in 2018, which remains in effect. The business terms for the recommended amended hotel ground lease acknowledges this MOA and includes a requirement that enhanced access to hotel employees for labor-organizing activities and an expedited union voting process be provided should the MOA be terminated prior to the Hotel beginning operations.

Financial Terms

The City will collect rent in various forms from the amended ground lease. To address financial feasibility costs, the amended ground lease for the hotel includes TOT rebates for the first 15 years and a reduction in ground rent for the first 20 years of the hotel operations as further described below.

- **TOT Rebate** – RGC will receive a rebate of 100% of the current 10% TOT rate for Operating Years 1-15 or until RGC has received \$20.8 million in net present value using a ten percent (10%) discount rate, whichever comes first. The net present value limit will allow the TOT rebate to end sooner than 15 years if hotel room revenue projections exceed current projections. The recommended terms also specify that the City will retain any TOT collected higher than the current 10% rate should the TOT rate be increased in the future.
- **Minimum Base Rent** – The minimum base rent starts at \$800,000 for Operating Year 1 and will increase by the Consumer Price Index (CPI) annually with resets in base rent starting in Operating Year 11 and every five years thereafter. As part of the City’s financial participation, the rent will be reduced through Operating Year 20 with the following rent amounts applied: \$0 minimum base rent for Operating Years 1-5; 25% of minimum base rent for Operating Years 6 to 10; 50% for Operating Years 11 to 15; and 75% for Operating Years 16 to 20. Beginning in Operating Year 31, minimum base rent would be 112.5% of rent that would otherwise be due to partially pay back the earlier rent reductions.
- **Percentage Rent** – The amended lease includes additional annual rent based on 4% of hotel gross revenues. RGC is to pay the higher of the minimum base rent or 4% of gross revenues annually. Similar to the minimum base rent, a rent reduction factor is applied to the percentage rent for the first 20 years of hotel operations, with no percentage rent due in Operating Years 1 to 5 and step up increases to the full 4% by Operating Year 20. Beginning in Operating Year 31, the percentage rent increases to 4.5% to allow the City to partially recoup foregone rent in the earlier operating years.

- **Bonus Rent** – The City will receive bonus rent in the event the hotel’s revenues exceed the pro forma projections. This bonus rent is in addition to the minimum base and percentage rents.
- **Participation Rent** – Participation rent is collected when the hotel (including the leasehold interest) is sold (assigned or transferred) or the hotel is refinanced. The participation rent rate is up to 2% of gross sales proceeds and 2% of net refinancing proceeds to be applied based on the parameters detailed in Exhibit A to the resolution. The participation rent has been structured to maximize the revenue to the City while also allowing the developer and investors to recoup their costs and a return on investment, which may be more attractive to potential equity partners to fund the development costs. In addition, no participation rent is required should RGC assign the amended DDA and amended leases to another developer prior to the issuance of the hotel building permit. The City will retain the right to approve the assignee who will have to demonstrate their capacity to meet the hotel performance milestones and the financial obligations of the amended DDA and amended leases.
- **Other Financial Terms** – RGC will pay \$6.6 million to the City for the replacement of the Lot 4 public parking spaces at the time of building permit issuance for the hotel unless the Council has approved an alternative method to replace the spaces. RGC will also pay past due permit fees of \$324,485 when the Planned Community Permit application is submitted. RGC will pay the Housing, Water and Sewer Capacity, and Transportation Impact Fees when the hotel receives its certificate of occupancy.

Estimated Revenue to the City

The amended ground lease of Lot 4 to RGC for a hotel development will generate rental and tax income for the City. Table 1 presents an estimate of revenue to the City in five-year increments based on the recommended financial terms and the hotel pro forma. Although the City would not receive any rent or TOT revenues for the first five years of hotel operations, the City is projected to receive approximately \$300,000 annually in sales tax and possessory interest tax proceeds during this time period. The City will start receiving ground rent in Operating Year 6, which will increase substantially each five-year period until reaching full rent rates in Operating Year 21. In addition, the City will start receiving TOT revenue by Operating Year 16. **The total revenue estimated for the 55-year initial lease term is \$433.6 million.**

**Table 1: Estimated Revenue to City for Lot 4 Hotel¹
(In \$ millions)**

Operating Years	Ground Rent ²	TOT ³	Sales Tax	Possessory Interest Tax	Total for 5-Year Period
1-5	\$0.0	\$0.0	\$0.5	\$1.0	\$1.5
6-10	\$2.1	\$0.0	\$0.6	\$1.1	\$3.8
11-15	\$4.9	\$0.0	\$0.7	\$1.2	\$6.8
16-20	\$8.5	\$18.2	\$0.8	\$1.3	\$28.9
21-25	\$13.2	\$21.2	\$1.0	\$1.5	\$36.7
26-30	\$15.3	\$24.5	\$1.1	\$1.6	\$42.5
30-35	\$19.9	\$28.4	\$1.3	\$1.8	\$51.4
36-40	\$23.1	\$33.0	\$1.5	\$2.0	\$59.5
41-45	\$26.8	\$38.2	\$1.7	\$2.2	\$68.9
46-50	\$31.0	\$44.3	\$2.0	\$2.4	\$79.7
51-53	\$20.9	\$29.9	\$1.3	\$1.6	\$53.7
Total for 55-Year Lease Term (assuming lease ends in Operating Year 53)					\$433.6

¹ Based on RGC pro forma projections of hotel revenues and potential possessory interest tax. Assumes Operating Year 1 is Lease Year 3, which occurs in Fiscal Year 2029-30. Some totals may not add up due to rounding.

² Bonus Rent and Participation Rent not included because they cannot be projected. These rents would be in addition to the ground rent.

³ Based on current TOT rate of 10% of gross room revenues. Revenue to City will be higher if the TOT rate is increased above 10% in the future.

The \$433.6 million revenue estimate does not include bonus and participation rents that may be received during the lease term nor potential TOT revenue that would be collected if the City increases the current 10% rate in the future. It also does not include revenue derived from additional sales taxes generated by hotel guests outside of the hotel.

Economic Subsidy Report

The City’s financial participation in the hotel through TOT rebates and reduced rent is an economic development subsidy. California Government Code Section 53083 requires “... each local agency, before approving any economic development subsidy within its jurisdiction, provide all of the following information in written form available to the public, and through its Internet Web site, if applicable:

- (1) The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy, if applicable.
- (2) The start and end dates and schedule, if applicable, for the economic development subsidy.
- (3) A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or revenue lost to, the local agency as a result of the economic development subsidy.
- (4) A statement of the public purposes for the economic development subsidy.
- (5) Projected tax revenue to the local agency as a result of the economic development subsidy.
- (6) Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.”

Section (g)(1) defines an economic development subsidy as “... any expenditure of public funds or loss of revenue to a local agency in the amount of one hundred thousand dollars (\$100,000) or more, for the purpose of stimulating economic development within the jurisdiction of a local agency, including, but not limited to, bonds, grants, loans, loan guarantees, enterprise zone or empowerment zone incentives, fee waivers, land price subsidies, matching funds, tax abatements, tax exemptions, and tax credits.”

The Economic Development Subsidy Report providing the required information listed above is provided in Attachment 1 and is posted to the City’s website at Mountainview.gov/HopeStLots. A public hearing notice with the link to the Economic Development Subsidy Report was published on March 13, 2026.

As noted in the Economic Development Subsidy Report, the City’s net subsidy for the hotel is estimated to be \$47.5 million in reduced revenue for the initial 55-year lease term. This subsidy consists of:

- \$40.1 million in TOT rebates over the first 15 operating years; and

- \$20.9 million in rent reductions over the first 20 operating years, which is partially offset with \$13.5 million in extra rent from Operating Year 31 to end of the 55-year lease term. The net hotel ground rent reduction over the lease term would be \$7.4 million.

In return for this \$47.5 million subsidy, the City would receive an estimated \$267.8 million in tax revenues from TOT, sales tax, and possessory interest (property) tax, and \$165.8 million in ground rent from the hotel for a total revenue projection of \$433.6 million. The revenue estimate does not include bonus and participation rents that may be received during the lease term, nor potential TOT revenue that would be collected if the City increases the current 10% rate in the future. It also does not include revenue derived from additional sales tax generated by hotel guests outside of the hotel.

A hotel on Lot 4 will also provide substantial economic benefits to the City. Downtown hotels play a pivotal role in supporting local economic vitality by generating employment opportunities, attracting visitors, supporting small businesses, and contributing to local tax revenues. Economic benefits include:

- **Employment Generation and Local Spending** - Hotels create a wide range of jobs from hospitality staff and maintenance to management and event services. Additionally, they boost local supply chains by sourcing goods and services from nearby vendors. The proposed Lot 4 hotel in Downtown Mountain View is estimated to generate approximately 350 construction jobs and 89 full-time and 27 part-time permanent jobs at the hotel upon completion. Hotel spending on goods and services and from hotel guests at local businesses would also stimulate job generation in other local businesses.
- **Support for Local Businesses** - Hotel guests contribute directly to the economic health of downtown by patronizing restaurants, retail shops, and entertainment venues. Hotels also serve as venues for conferences, weddings, and special events, which further increases local spending. The Lot 4 hotel is projected to host more than 57,000 guests annually by Year 4 of operations. Based on recent retail trade area analysis, this increase in visitation is equivalent to a one-third increase in the number of available customers within a three-mile radius of Downtown Mountain View.

Lot 8 Office Building Business Terms

The recommended business terms for an office building development on Lot 8 are listed in Exhibit A to the resolution and summarized below.

- **Project Scope:** The size and scale of the office building will be the same as the one that was approved in 2018. It will be a Class A Office Building consisting of approximately 52,725

square feet on four levels with approximately 2,725 square feet of ground floor street front retail and 50,000 square feet of office space. Approximately 110 subterranean parking spaces will be included to replace the existing public parking and provide parking for the office building. Prior to RGC submitting a Planned Community Permit application no later than June 30, 2029, the City and RGC shall meet to review the proposed office building description, including any potential changes to the size of the building and amount of parking to be provided.

- **Term of Amended Lease:** The term of the amended lease remains 55 years after lease commencement. RGC will have an option of four 10-year extensions for a total potential lease term of 95 years. The effective date of the amended lease will be the earlier of December 15, 2027, or within 90 days after the date the City issues the Permit Issue Letter for the building permit; however, RGC will not take possession of the property until issuance of the building permit. Lot 8 will continue to be used for public parking operated by the City following the Lease Effective Date until construction starts.

Financial Terms

The City will collect rent in various forms from the office building ground lease. **No City financial participation or economic development subsidy will be provided for the office building development.**

- **Minimum Base Rent** – The minimum base rent commences at the time RGC pays the fees for the building permit to start construction. The annual minimum base rent will start at \$312,000 to be increased annually by CPI from the effective date of the amended DDA until the minimum base rent commences. When RGC is ready to proceed with applying for a Planned Community Permit, the City and RGC may negotiate an adjustment to the minimum base rent consistent with current market rates and land values for comparable office space. The base rent will increase by CPI with resets starting in Operating Year 6 and every five years thereafter.
- **Percentage Rent** – The amended lease includes a percentage rent on gross revenues starting at 10% for the first 20 operating years, stepping up to 10.5% for the next 10 years, and 11% for Operating Year 31 until end of lease term. RGC is to pay the higher of the minimum base rent or percentage rent annually.
- **Bonus Rent** – The City will receive bonus rent in the event the office building's revenues exceed the pro forma projections. This bonus rent is in addition to the base and percentage rents.

- **Participation Rent** – Participation rent is collected when the office building (including the leasehold interest) is sold (assigned or transferred) or the office building is refinanced. The participation rent rate is up to 2% of net sales or refinancing proceeds to be applied based on the parameters detailed in Exhibit A to the resolution.

Ground Leases Exceeding 55 Years

City Code Section 2.90 requires that prior to the final execution of any lease with a term exceeding fifty-five (55) years, but not exceeding ninety-nine (99) years, the City Council must make the following findings:

- (a) That the lease and any development on the site is consistent with the City of Mountain View General Plan and any applicable precise plan or specific plan; and
- (b) The property is not now needed for other public purposes; and
- (c) The term of the lease, including any option to extend, is in the best interest of the City; and
- (d) This particular lease offers the greatest economic return to the City when compared to other proposals, if any.

The City Council made the findings required by Mountain View City Code §2.90 in 2016 when it approved the DDA and the ground leases. The amendments to the ground lease do not change the terms of the ground leases. The City Council's prior findings remain applicable to the approval of the amended ground leases.

ENVIRONMENTAL REVIEW

The Council's approval of the amended DDA and amended leases is not a project under Section 15378 of the CEQA Guidelines (Title 14, Cal. Code Regs., Section 15000, *et seq.*). The amended DDA requires RGC to obtain new entitlements for the hotel and office as a condition of proceeding with the development. The City retains full discretion to approve or disapprove the entitlements and if entitlements are not approved, the amended DDA and amended ground leases will terminate. As part of the entitlement process, the City will determine the appropriate environmental review of the project under CEQA. The amended DDA includes provisions that allow the City to modify or condition the project in its discretion to comply with CEQA or determine not to proceed with the project. Because the project is not currently entitled and the City's obligations under the amended DDA and amended ground leases are conditioned on the approval of the entitlements, the approval of the amended DDA and the amended ground leases

do not represent the City's approval of the project and thus are not subject to CEQA. CEQA review of the project will be required if and when the project is entitled.

FISCAL IMPACT

The recommended business terms for amending the DDA and ground leases for a hotel on Lot 4 and an office building on Lot 8 are expected to generate significant revenue for the City. As shown in Table 1 above, the hotel on Lot 4 is projected to provide approximately \$433.6 million in rent, TOT, sales tax, and possessory interest tax over the initial 55-year lease term. This is a conservative estimate that does not include potential bonus or participation rent, any future increases in TOT rates, or sales taxes generated by hotel guests who make purchases at other businesses in the City. The first year of hotel revenue to the City could be as early as Fiscal Year 2029-30.

The office development will generate rent, sales tax, and possessory interest tax revenue. Staff cannot estimate the full revenue potential from these sources until the developer prepares a project pro forma, which will be prepared and submitted to the City when the developer applies for a Planned Community Permit. The amended ground lease establishes a minimum annual base rent of \$312,000, which will be adjusted annually by CPI from the effective date of the amended DDA until start of construction of the office building.

No City funds will be spent on either the hotel or office building developments, and no economic development subsidy is associated with the office building.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

SUBJECT TO THE LEVINE ACT

Material contract modification or amendment

CONCLUSION

RGC is a qualified developer selected by the City in 2016 to develop a hotel and office building on Hope Street Lots 4 and 8. The pandemic negatively impacted the economics for this development, and the project was unable to proceed into construction in 2021 when the building permits were ready to be issued. Recognizing that this project will provide long-term revenue and economic benefits to the City and to Downtown Mountain View, Council authorized staff to negotiate amendments to the DDA and ground leases. Staff has negotiated amended price and terms that minimize the City's financial risks while maximizing potential revenue and economic benefits. Staff recommends that Council conduct a public hearing on the Economic Development Subsidy report and adopt the resolution that approves the business terms in Exhibit A to the resolution and authorizes the City Manager or designee to execute the amended DDA and amended ground leases consistent with these business terms and to make future amendments to the ground leases that are nonmaterial or have a financial impact that does not exceed \$250,000.

ALTERNATIVES

1. Modify the business terms listed in Exhibit A to the resolution for the amended DDA and amended leases.
2. Do not approve the amended DDA and amended ground leases and allow the current DDA to expire on March 31, 2026.
3. Provide other direction.

PUBLIC NOTICING

Agenda posting. Public notice of the hearing and Economic Development Subsidy Report was published in a newspaper of general circulation.

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Attachments: 1. Economic Development Subsidy Report
2. Resolution