



COUNCIL REPORT

DATE: June 23, 2026
CATEGORY: Consent
DEPT.: Public Works and Community Services
TITLE: **Lease Agreement for 485 and 495 Clyde Avenue**

RECOMMENDATION

1. Approve the business terms for a lease agreement between the City of Mountain View and Google, Inc., that includes an option for Google to sell the property to the City, for property located at 485 and 495 Clyde Avenue (APN 160-57-006 and 160-57-007) (Attachment 1 to the Council Report) and authorize the City Manager or designee to execute a lease agreement consistent with these business terms.
2. Find that in accordance with the requirements of the California Environmental Quality Act (CEQA), under California Code of Regulations Title 14, Section 15325, the lease and potential acquisition of these properties is categorically exempt as Class 25(f) because the lease and potential acquisitions preserve lands for park purposes.

BACKGROUND

One of the projects in the Fiscal Years 2025-27 Council Work Plan is to provide additional facilities for playing pickleball, including the construction of new permanent courts. With the cooperation of the property owner (Google), staff has identified the property located at 485 and 495 Clyde Avenue as a potential site for the development of a new public park with a pickleball facility (see Figure 1). The site is located in the eastern section of the City near Middlefield Road and State Route 237, adjacent to Sunnyvale Municipal Golf Course.

The two properties combined are approximately 3.72 acres in size. There is currently one vacant building on each parcel and parking lots with lighting. The parcels are bisected diagonally by the Moffett Federal Airfield Turning Safety Zone (Figure 2). Santa Clara County's Comprehensive Land Use Plan for Moffett Federal Airfield includes a limit of a maximum of 200 people per acre for non-residential uses and is restrictive on residential uses being built within the Turning Safety Zone. Staff's initial analysis is park use that includes pickleball courts will be under the 200 people per acre limit; however, a final determination will be required from the Santa Clara County Airport Land Use Commission (ALUC).

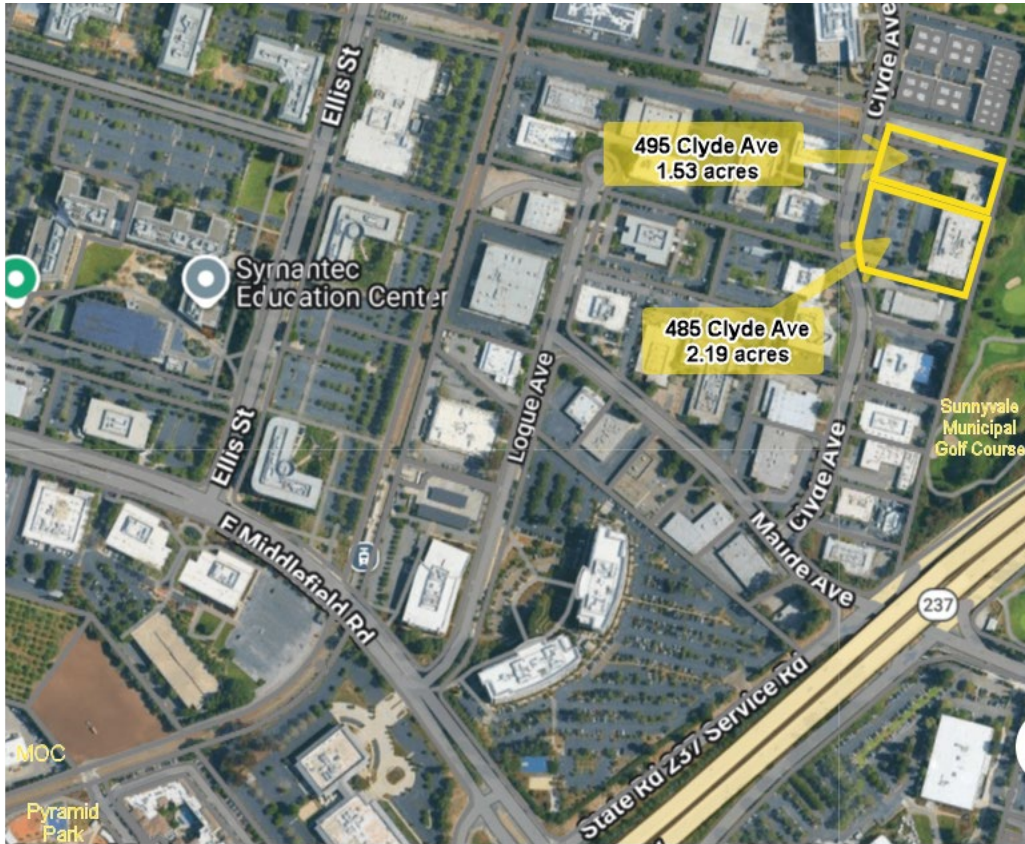


Figure 1: Location



Figure 2: Turning Safety Zone

City Council met in closed session on May 12, 2026, to discuss the price and terms for the lease of this property with its real property negotiators. The recommended business terms listed in Attachment 1 are consistent with the direction received from Council.

ANALYSIS

The combined property of 485 and 495 Clyde Avenue has the following advantages:

- At approximately 3.72 acres, it is large enough for a pickleball facility with up to 12 courts, including parking and restrooms, as an element of a larger public park and open space serving the community.
- The site is conveniently located near major transportation corridors and a light rail station, allowing for citywide access to a pickleball facility.
- The site is not adjacent to existing residential land uses, but is close enough to planned residential projects for future residents to enjoy a park at this location.

Staff recommends Council approve the business terms listed in Attachment 1 for a lease of 485 and 495 Clyde Avenue with an option to sell for the development of a public park with a pickleball facility. Below is a summary of the key business terms:

- The City and Google will execute a seven-year lease for the property with Google having an option to sell the property to the City during the lease term in exchange for park land/open space credits equivalent to 3.72 acres of land. This arrangement will allow the City to take possession of the property before the end of 2026. Early termination of the lease is allowed should the City be unable to proceed with the park and pickleball facility due to ALUC actions or inaction or due to environmental or site conditions that may render the project infeasible.
- The annual rent will be one dollar (\$1.00) plus property taxes and Google's third-party property management costs. The estimated rent for the first year of the lease is approximately \$131,000.
- The lease will commence after Google demolishes the existing vacant buildings on the property, which is anticipated to occur before the end of 2026. After lease commencement, the City will be responsible for all repairs, maintenance, and replacement work of the property, including the City's park and pickleball improvements to the site.

These lease terms present the most feasible path for providing new pickleball courts within the next two years.

Environmental Clearance

The proposed action is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code, Section 21080.28. because it consists of securing an interest in property for future public park purposes. The action does not approve any construction, demolition, or physical changes to the site. Any future demolition, site preparation, park improvements, or other development activities will be subject to separate review and compliance with CEQA, as applicable.

Next Steps

Should Council approve the business terms in Attachment 1, staff will work with Google to draft the lease agreement consistent with the business terms. The execution of the lease agreement is expected by September 2026. Following execution of the agreement, Google will apply for a demolition permit from the City and demolish the buildings. The park will be developed in phases with the first phase being the pickleball facility towards the rear of the property adjacent to the golf course with interim restrooms and parking being provided in the existing parking lots. The design process for this first phase will begin as soon as the lease is executed. Design and construction are estimated to take approximately 18 months after the lease is commenced.

FISCAL IMPACT

The first-year lease payment is \$1, with estimated carrying costs of approximately \$131,000, consisting primarily of property taxes and third-party property management expenses. Lease payments are expected to commence in the fourth quarter of 2026. The Fiscal Year 2026-27 Recommended Budget, scheduled for Council adoption on June 23, 2026, includes \$100,000 in General Non-Operating Funds to support these initial lease and carrying costs. Future annual costs will vary based on changes in property taxes and Google's third-party property management costs.

Design and initial implementation of Phase 1 for the pickleball courts will be funded by Project 23-36, Pickleball Court Preliminary Study, Design and Construction, which currently has approximately \$690,000 of available funding and sufficient budget capacity for design activities. Staff will return to Council with a future funding request for construction costs once project scope and cost estimates are finalized.

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

- Other permit, license, or entitlement for use
- Contract or franchise agreement

ALTERNATIVES

1. Direct staff to negotiate certain changes to the business terms in Attachment 1.
2. Do not approve proceeding with a lease agreement for this property and direct staff to continue to look for other potential locations for a pickleball facility.
3. Provide other direction.

PUBLIC NOTICING

Agenda posting, and a copy of this report was sent to Google.

Prepared by:

Dawn S. Cameron
Assistant City Manager

Angela LaMonica
Real Property Program Administrator

Approved by:

Jennifer Ng
Public Works Director

John R. Marchant
Community Services Director

Audrey D. Seymour
Assistant City Manager

Attachment: 1. Recommended Business Terms