

ORDINANCE NO. 2078

**AN ORDINANCE OF THE CITY OF SANTA CLARA,
CALIFORNIA, APPROVING AND ADOPTING AN
AMENDMENT TO THE DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF SANTA CLARA AND RELATED
SANTA CLARA, LLC, FOR THE RELATED SANTA CLARA
PROJECT LOCATED AT 5155 STARS AND STRIPES
DRIVE, SANTA CLARA**

Addendum to the Santa Clara City Place Environmental
Impact Report (SCH #2014072078)
PLN24-00060 (General Plan Amendment, Rezoning, and
Development Agreement Amendment)

BE IT ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, on January 31, 2024, Related Santa Clara, LLC (“Developer”), filed a development application to modify the approvals for a mixed-use development project for the approximately 240-acre City-owned site generally located north of Tasman Drive, east of Great America Parkway and San Tomas Aquino Creek, west of Guadalupe River, and south of State Route 237 (APNs: 104-03-043, 104-03-042, 104-03-041, 104-03-036, 104-01-102, 097-01-039, and 097-01-073), most of which was formerly occupied by a landfill, Santa Clara Golf & Tennis Club, Fire Station 10, and is now occupied by a Bicycle-Motocross (BMX) track, the Ameresco Methane Plant, the Eastside retention Basin and vacant lots (“Project Site”);

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WHEREAS, on June 28, 2016, the City Council: certified the Santa Clara City Place Environmental Impact Report (“EIR”) [SCH #2014072078] and adopted a set of CEQA Findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program (“MMRP”) in accordance with the requirements of the California Environmental Quality Act (“CEQA”); adopted a General Plan Amendment changing the Project Site’s land use designation to Urban Center/Entertainment District and making corresponding text and figure changes throughout the General Plan; approved a rezoning of the Project Site to the Planned Development - Master Community (PD-MC) Zoning designation governed by the accompanying Master Community Plan (“MCP”) for the Related Santa Clara project (the “Approved Project,” previously known as “City Place”); and approved a Development Agreement (“DA”) and a Disposition and Development Agreement (“DDA”) to define the Developer’s obligations to develop the Approved Project and define terms for ground leasing the Project Site to the Developer;

WHEREAS, in 2020 and 2021, the City adopted First, Second, and Third Addenda to the 2016 Santa Clara City Place EIR in connection with its approval of the Development Area Plan (“DAP”) for Phase 1, the DAP for Phase 2, and the City Place Revised Soil Import and Earthwork Plans Project, respectively (together, the First, Second, and Third Addenda to the 2016 EIR constitute the “Santa Clara City Place EIR”);

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WHEREAS, the Developer proposes to modify the Approved Project to allow a range of light industrial uses on Parcels 1 and 2 (APN 097-01-073 and 097-01-039) of the Project Site in conjunction with the already-approved office, retail, commercial, hotel, residential, and park and open spaces uses allowed throughout the Project Site without modifying the 9.16 million gross square feet of development or overall development intensities already allowed on the Project Site (the “Proposed Project”);

WHEREAS, the Developer has applied to amend the General Plan land use designation applicable to the Project Site to allow for a range of light industrial uses within the Urban Center/Entertainment District (“General Plan Amendment”);

WHEREAS, the Developer has simultaneously applied for a Zoning amendment that proposes a text amendment to revise the permitted uses under the PD-MC Zoning designation to include a range of light industrial uses as permitted or conditionally permitted uses within that Zoning district and add a new “Scheme C” land use scenario to the MCP, as more particularly described in the attached MCP Scheme C Supplement (the “Zoning Amendment”);

WHEREAS, the Developer has also requested to amend its existing Development Agreement (“DA”) with the City to incorporate provisions related to the Proposed Project (“DA Amendment”), and City staff have negotiated and recommend the DA Amendment, which is attached hereto and incorporated by this reference;

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WHEREAS, the DA Amendment would modify the DA to require: that 15% of housing units constructed in Phase 2 or Phase 3 must be affordable at 100% Area Median Income (AMI) (deeper than the 120% of AMI requirement in the current DA); light industrial uses must pay development impact fees and administrative fees at the levels as and when otherwise due (notwithstanding the vested rights conveyed by the original DA); and light industrial uses must pay a regional traffic fee at \$1 per square foot;

WHEREAS, the Developer has also requested to amend its existing DDA with the City, as previously amended, to incorporate provisions related to the Proposed Project (“DDA Amendment”), and City staff have negotiated and recommended the DDA Amendment (the DDA Amendment, together with the General Plan Amendment, Zoning Amendment, and DA Amendment are the “Project Approvals”);

WHEREAS, on May 6, 2025, the City Council held a Study Session focused on the Proposed Project, public feedback and the Project Approvals;

WHEREAS, California Government Code Sections 65864 through 65869.5 (“Development Agreement Act”) authorize cities to enter into binding development agreements with any person having legal or equitable interest in real property regarding the development of such property, and these agreements govern the development of the property;

WHEREAS, in order to ensure that all potential environmental impacts of the Proposed Project were thoroughly analyzed, the City caused a fourth Addendum to the Santa Clara City Place EIR (“Addendum”) to be prepared in accordance with CEQA Guidelines Section 15164;

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WHEREAS, on June 11, 2025, the Planning Commission held a duly noticed public hearing, opened and closed for public comments, and at the conclusion of which, the Planning Commission unanimously recommended approval of the DA Amendment;

WHEREAS, prior to taking action on this Ordinance, the City Council has exercised its independent judgement and reviewed and considered the Santa Clara City Place EIR and the Addendum and concluded that, for the reasons set forth in the Addendum, no further environmental review is required for the modifications to the Approved Project contemplated by the Proposed Project;

WHEREAS, on June 18, 2025, a notice of public hearing the July 8, 2025, City Council Hearing for this item was published in the *Santa Clara Weekly*;

WHEREAS, on June 18, 2025, a notice of public hearing for the July 8, 2025, City Council Hearing for this item was mailed to property owners within a 1,000 foot radius of the Project Site boundaries;

WHEREAS, pursuant to SCCC Section 18.146.020, on June 26, 2025, notice of the City Council Hearing on July 8, 2025, was posted at City Hall, the Central Park Library, the Mission Branch Library, the Northside Branch Library, and on the City's website; and

WHEREAS, on July 8, 2025, the City Council held a duly noticed public hearing to consider the Addendum to the Santa Clara City Place EIR, the MMRP included as Appendix A to the Addendum identifying applicable mitigation measures from the original MMRP, the Project Approvals, and all pertinent information in the record during which the City Council invited and considered any and all verbal and written testimony and evidence offered in favor of and in opposition to the Proposed Project.

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**NOW THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA
AS FOLLOWS:**

SECTION 1. The City Council hereby finds and determines that the above Recitals are true and correct and by this reference makes them a part hereof.

SECTION 2. Pursuant to Government Code Sections 65867 and 65867.5, the City Council hereby finds that the provisions of the DA Amendment are consistent with the General Plan, for the reasons set forth in the General Plan Amendment Resolution, which are incorporated by this reference.

SECTION 3. The City Council hereby finds and determines that the DA, together with the DA Amendment (henceforth the “Amended DA”), complies with all requirements of Government Code Section 65865.2, (requiring a development agreement to state permitted uses of the property, the density or intensity of use, the maximum height and size of proposed buildings and provisions for reservation or dedication of land for public purposes) in that as set forth in Section 6.1 of the Amended DA, the terms and conditions of the Amended DA, the Development Requirements and any Subsequent Project Approvals (as those terms are defined in the Amended DA) control the overall design, development and construction of the Project, which controls include the following:

- a. The Amended DA specifies the duration of the agreement in section 1.4: 30 years, subject to force majeure extensions;
- b. The Amended DA specifies the permitted uses of the property in Recital “D”: retail, restaurants, entertainment, hotels, residential, offices, and light industrial uses;

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- c. The Amended DA specifies the residential density in the attachment: up to 1680 dwelling units on Parcels 4 and 5, which together comprise 94.6 acres, for a maximum possible density of 17.75 dwelling units per acre;
- d. The Amended DA specifies the intensity of use, in Recital D: Under Schemes A and B, 9,160,000 square feet of development comprising 1,526,000 sf of retail/restaurant/entertainment, 700 hotel rooms, 1680 residential units, and 5,724,400 sf of office;
- e. The DA Amendment further specifies the intensity of use, in Recital B: Under Scheme C, 4,517,400 sf of office, 800,000 sf of retail/restaurant/entertainment, 1,600,000 sf of light industrial, 700 hotel rooms, and 1,680 dwelling units and, as provided in the MCP, as amended, any amount of permitted office use within the City Center Mixed-Use District (Parcels 4 and 5) under Scheme C may be swapped out for an equivalent square footage of retail space, subject to approval through the DAP process, or if a DAP has already been approved, then subject to approval through the Architectural Review process;
- f. The Amended DA specifies the maximum height of proposed buildings through reference to the Development Requirements as set forth in the MCP as amended, which establishes a maximum building height consistent with ALUC regulations and Federal Aviation hazard limits pursuant to FAA Federal Aviation Regulations, FAR Part 77 criteria;

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- g. The Amended DA specifies the maximum size of proposed buildings by in the attachment by identifying the property as having a land use designation of “Urban Center/Entertainment District,” which has a maximum Floor Area Ratio of either 1.0 or 2.0:
- h. The Amended DA includes provisions for reservation or dedication of land for public purposes in Recital “D”: a community park in excess of 30 acres.

SECTION 4. The City Council hereby approves and adopts the DA Amendment, and hereby authorizes and directs the City Manager to sign the DA Amendment in substantially in the form attached hereto, subject to any such minor and clarifying changes consistent with the terms thereof as may be approved by the City Manager in consultation with the City Attorney prior to the execution thereof.

SECTION 5. The City Manager and/or his/her designee is hereby authorized and directed to perform all acts to be performed by the City in the administration of the Development Agreement pursuant to the terms of the Development Agreement as amended by this Ordinance, including but not limited to conducting annual review of compliance as specified therein. The City Manager or designee is further authorized and directed to perform all other acts, enter into all other agreements and execute all other documents necessary or convenient to carry out the purposes of this Ordinance and the Development Agreement, as amended by this Ordinance.

SECTION 6. Except as specifically set forth herein, this Ordinance suspends and supersedes all conflicting resolutions, ordinances, plans, codes, laws and regulations.

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SECTION 7. If any section, subsection, sentence, clause, phrase, or word of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the Ordinance. The City of Santa Clara, California, hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

SECTION 8. This Ordinance shall not be codified in the Santa Clara City Code.

SECTION 9. This Ordinance shall take effect thirty (30) days after its final adoption contingent upon the effectiveness of the General Plan Amendment and Zoning Amendment; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of "The Charter of the City of Santa Clara, California."

PASSED FOR THE PURPOSE OF PUBLICATION THIS 8TH DAY OF JULY 2025, BY
THE FOLLOWING VOTE:

AYES:	COUNCILORS:	Cox, Gonzalez, and Hardy, and Mayor Gillmor
NOES:	COUNCILORS:	Chahal, Jain, and Park
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST:



NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Development Agreement Amendment

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

City Place Santa Clara

This First Amendment to the Development Agreement ("**First Amendment**") is entered into as of _____, 2025 (the "First Amendment Effective Date"), by and between the City of Santa Clara ("City"), a chartered municipal corporation, and Related Santa Clara, LLC ("Developer"), a Delaware limited liability company.

R E C I T A L S

This First Amendment is made with reference to the following facts, intentions and understandings of the Parties:

A. Background. The City and Developer entered into that certain Development Agreement dated August 12, 2016 (as amended from time to time, the "**Agreement**") for the development of City Place Santa Clara. Defined terms in this First Amendment have the meanings ascribed to them in the original Development Agreement.

B. Scheme C Variant. At the request of Developer, the City has adopted an amendment to the Master Community Plan in the form of a Master Community Plan Scheme C Supplement (City Council Ordinance No. 25-____). The Master Community Plan Scheme C Supplement authorizes a new Scheme C Variant that includes the same total development area as Scheme A and Scheme B, having a total of approximately 9,164,400 square feet of mixed use, but would include (i) approximately 800,000 of retail; (ii) the same number of hotel rooms and residential units as Scheme A; (iii) approximately 4,517,400 square feet of office on Parcel 4; and (iv) approximately 1,600,000 square feet of light industrial uses on Parcels 1 and 2 (as described in the Master Community Plan Scheme C Supplement, the "Scheme C Variant"). The Master Community Plan Scheme C Supplement provides that any amount of permitted office use within the City Center Mixed-Use District (Parcels 4 and 5) may be swapped out for an equivalent square footage of retail space, subject to approval through the DAP process, or if a DAP has already been approved, then subject to approval through the Architectural Review process.

C. Environmental Review. The City analyzed the proposed potential environmental impacts of the Scheme C Variant and adopted a Fourth Addendum to EIR (City Council Resolution No. 25-____), in which it determined that the use of the Project Site under this Agreement, as amended for the Scheme C Variant, are included within the scope of the Project EIR in that the potential environmental impacts of the development and use of the Project Site for the Scheme C Variant under the DDA and the Master Community Plan are addressed in the Project EIR.

D. Scheme C Variant Project Approvals. Following the City's approval of the Fourth Addendum, the City took the following actions to implement the Scheme C Variant, all of which are deemed to be included within the definition of "Project Approvals" as set forth in the Development Agreement:

i. Amendments to the Santa Clara General Plan to revise the permitted uses under the Urban Center/Entertainment District land use designation to add a range of light industrial uses,

including general service, warehousing, storage, distribution, manufacturing and data centers for Parcels 1 and 2 (City Council Resolution No. 25-_____);

ii. Amendments to the City's Zoning Code to revise the permitted uses under the Planned Development Master Community (PD-MC) land use designation and to add a new Scheme C land use scenario to the Master Community Plan (City Council Resolution No. 25-_____);

iii. Amendments to the DDA (City Council Resolution No. 25-_____); and

iv. Approval of this First Amendment by City Council Ordinance No. _____ that authorized the City Manager to execute this Agreement on behalf of the City (the "Enacting Ordinance"). The Enacting Ordinance took effect on _____, 2025.

E. Compliance with All Legal Requirements; General Plan Consistency. City has given the required notice of its intention to adopt this First Amendment and has conducted public hearings thereon pursuant to Government Code section 65867 and Code Sections 17.10.150 through 17.10.170. As required by Government Code section 65867.5 and Code Section 17.10.180, City has found that the provisions of this Amendment and its purposes are consistent with the goals, policies, standards and land use designations specified in the General Plan (as amended by the Project Approvals).

A G R E E M E N T

In consideration of the foregoing Recitals, which are hereby incorporated into this Agreement as if set forth in full, the Parties hereby agree as follows:

I. **Development Agreement Amendments**

A. **Development Fees.**

a. Section 3.2 (Existing Development Fees) is hereby amended to add the following sentence at the end:

"Notwithstanding the foregoing, if Developer proceeds with the Scheme C Variant under the Master Community Plan, neither **Exhibit C** nor the Development Fee Vested Period under Section 3.3.1 shall apply to Development Fees for any development of the Scheme C Variant on Parcels 1 and 2, and, instead, Developer shall pay Development Fees for development of the Scheme C Variant on Parcels 1 and 2 in such amounts and at such times as is then-applicable to such development, as applied in accordance with Section 3.3.2 hereof (but without regard to the Development Fee Vested Period)."

b. Section 3.3.1 (During the Development Fee Vested Period) of the Agreement is hereby amended to add the following sentence at the end:

"Notwithstanding the foregoing, the Development Fee Vested Period shall not apply to development on Parcels 1 and 2 under the Scheme C Variant."

B. **Traffic Impact Fee Vested Period.** The first sentence of Section 3.4.1 (Current Traffic Impact Fees) is hereby amended in its entirety as follows:

“Beginning on the Effective Date and continuing until the later of (a) the date on which the Development Fee Vested Period expires and (b) the date by which building permits have been issued for at least one million five hundred thousand (1,500,000) square feet of office space on the Project Site (such time period being referred to as the “**Traffic Impact Fee Vested Period**”), Developer shall pay traffic impact fees (the “**Traffic Impact Fees**”) pursuant to Section 17.15.330 of the Code in the following amounts per square foot:”

C. **Regional Traffic Fees.** Section 3.5 of the Agreement is hereby amended to add the new underlined language:

3.5 Regional Traffic Fees. Developer agrees to pay the fixed sums of (a) One Dollar (\$1.00) per square foot of Office uses (as defined in Section 17.15.330(b)(8) of the Code), and Retail uses (as defined in the DDA), and b) Fifty Cents (\$0.50) per square foot for residential uses, and (b) \$1.00 per square foot of Light Industrial Uses (as defined in Appendix B to the Master Community Plan Scheme C Supplement) (together, the “**Regional Traffic Fees**”). The Regional Traffic Fees shall be payable to the City at the time of issuance of each Building Permit for Vertical Construction that contains office uses, retail uses, light industrial uses and/or residential uses, as applicable, based upon the square footage of such uses. Regional Traffic Fees are non-refundable, and shall not increase over the Term of this Agreement.

D. **Engineering Plan Check Fees.** Notwithstanding Section 5.1 of the Agreement, Engineering Plan Check Fees applicable to development of the Scheme C Variant on Parcels 1 and 2 shall be those in effect, as and when due.

E. **Housing Affordability.**

a. Section 1.2.5 of the Agreement is hereby amended in its entirety as follows:

“Affordable Unit” shall mean, for any residential units constructed within Phase 1, a residential unit that is affordable to households with income that does not exceed one hundred twenty percent (120%) of the Area Median Income for Santa Clara County, as adjusted and amended from time to time, and for any residential units constructed within Phase 2 or Phase 3, a residential unit that is affordable to households with income that does not exceed one hundred percent (100%) of the Area Median Income for Santa Clara County, as adjusted and amended from time to time.

b. Section 4.5.1 of the Agreement is hereby amended in its entirety as follows:

4.5.1 Voluntary Commitment. The Parties acknowledge the Project shall not be subject to the provisions of the Code adopted on or before the First Amendment Effective Date, or any future amendments thereto, with respect to affordable residential units within or in connection with the Project. Nevertheless, Developer voluntarily agrees that (i) at least ten percent (10%) of all residential units constructed in Phase 1 shall be Affordable Units; and (ii) at least fifteen percent (15%) of all residential units constructed in Phase 2 or Phase 3 shall be Affordable Units. Developer shall have the right to pay an in-lieu fee instead of constructing the Affordable Units

that are associated with any market-rate units constructed as part of Phase 1 (the “**Phase 1 Affordable Units**”) under the conditions set forth in Section 4.5.2 below.

II. **Miscellaneous**

A. Entire Agreement. This First Amendment, together with the Agreement, constitutes the entire understanding and agreement between the Parties with respect to the subject matter contained herein. All other terms and conditions of the Agreement shall remain in full force and effect.

B. Binding Effect. This First Amendment shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

C. Governing Law. This First Amendment shall be interpreted, construed, and enforced in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the First Amendment Effective Date.

CITY

CITY OF SANTA CLARA, a municipal corporation

By: _____
Name: Jovan Grogan
Title: City Manager

Approved as to form:

By: _____
Name: Glen Googins
Title: City Attorney

Approved on _____, 2025

City Council Ordinance No. _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

DEVELOPER

RELATED SANTA CLARA, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)