

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) CONSENTING TO THE TRANSFER OF TITLE TO THE PROPERTY CURRENTLY OWNED BY SC SJ HOLDINGS, LLC, AND COMMONLY REFERRED TO AS THE SIGNIA BY HILTON “SOUTH TOWER PROPERTY” LOCATED AT 170 SOUTH MARKET STREET TO AG170, LLC; (B) CONSENTING TO THE SEPARATION OF THE NORTH TOWER PROPERTY AND THE SOUTH TOWER PROPERTY AS REFERENCED IN THE LOT TIE AGREEMENT AND COVENANT REGARDING TRANSFER AND CERTAIN SERVICES DATED MARCH 15, 2022 BETWEEN LIGHT TOWER ASSOCIATES I, LLC AND LIGHT TOWER ASSOCIATES II, LLC, AND SUBSEQUENT TERMINATION OF SAME AGREEMENT; AND (C) AUTHORIZING THE CITY MANAGER OR THEIR DESIGNEE TO NEGOTIATE AND EXECUTE ANY DOCUMENTS AS NECESSARY TO MEMORIALIZE THE CITY’S CONSENT

WHEREAS, the property located at 170 South Market Street, commonly known as the “South Tower Property,” is currently operated as part of the Signia by Hilton San José hotel in conjunction with the adjoining property, commonly known as the “North Tower Property,” both of which are currently owned by SC SJ Holdings, LLC, and in which SC SJ Holdings, LLC, seeks to sell the South Tower Property to a developer, AG170, LLC; and

WHEREAS, in 2002, the previous property owners, known as Light Tower Associates I & Light Tower Associates II, owners of the North Tower Property and South Tower Property, respectively, entered into a Lot Tie Agreement and Covenant Regarding Transfer and Certain Services dated March 15, 2002 (Lot Tie Agreement), with one another which restricts the property owner’s ability to sell or transfer the South Tower Property to any entity that does not hold one hundred percent (100%) of the interest in the North Tower Property, unless they receive the prior written consent of the City of San José (City); and

WHEREAS, the Board of Trustees of the California State University, on behalf of San José State University, desires to lease the South Tower Property from AG170, LLC, with the option to purchase the property in the future; and

WHEREAS, although the City is not a party to the Lot Tie Agreement, it is an express beneficiary and is required to give consent to the separation and sale of the South Tower Property to any entity other than the owner of the North Tower Property;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Council hereby:

- A. Consents to the transfer of title to the property currently owned by SC SJ Holdings, LLC and commonly referred to as the Signia by Hilton “South Tower Property” located at 170 South Market Street to AG170, LLC;
- B. Consents to the separation of the North Tower property and the South Tower property as referenced in the Lot Tie Agreement dated March 15, 2022, between the Light Tower Associates I, LLC and Light Tower Associates II, LLC, and the subsequent termination of same agreement; and
- C. Authorizes the City Manager or their designee to negotiate and execute any documents necessary to memorial the City’s consent.

ADOPTED this _____ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk