



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JULY 25, 2017**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT** **WARD: 1**

**SUBJECT: EXCLUSIVE NEGOTIATION AGREEMENT WITH RIVERSIDE FOOD HALL, LP, FOR THE POTENTIAL LONG-TERM LEASE AND DEVELOPMENT OF THE CHOW ALLEY AT COURTHOUSE PIAZZA DEVELOPMENT CONCEPT FOR APPROXIMATELY 31,526 SQUARE FEET OF CITY AND COUNTY-OWNED LAND IDENTIFIED AS ASSESSOR PARCEL NUMBERS 215-092-005, 006, 010, AND 011**

## **ISSUE:**

Approve the Exclusive Negotiation Agreement with Riverside Food Hall, LP for the potential long-term lease and development of the Chow Alley at Courthouse Piazza development concept for approximately 31,526 square feet of City and County-Owned land identified as Assessor Parcel Numbers 215-092-005, 006, 010 and 011 (Attachment 1).

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Exclusive Negotiation Agreement (Attachment 2) with Riverside Food Hall, LP for the potential long-term lease and development of the Chow Alley at Courthouse Piazza development concept; and
2. Authorize the City Manager, or his designee, to execute the Exclusive Negotiation Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

## **BACKGROUND:**

On October 15, 2015, staff presented the Chow Alley at Courthouse Piazza development concept to the Utility Services/Land Use/Energy Development Committee for consideration. Following discussion and without a formal motion, the Committee unanimously:

1. Supported the proposed Chow Alley at Courthouse Piazza development concept,
2. Directed staff to negotiate a ground lease agreement with the County of Riverside and present the agreement for City Council consideration, and

3. Directed staff to proceed with a Request for Qualifications and Proposals seeking a developer.

On May 24, 2016, the City Council approved an Exclusive Negotiation Agreement (ENA) with Best Beverage Catering for the potential long-term lease and development of the Chow Alley at Courthouse Piazza development concept.

### **DISCUSSION:**

In March 2017, Best Beverage Catering informed staff that, due to outstanding development commitments, they are no longer interested in pursuing the Chow Alley at Courthouse Piazza development concept. Shortly thereafter, staff discussed the proposed project with Riverside Food Hall, LP, who is currently developing the Riverside Food Hall project adjacent to the Fox Performing Arts Center. Riverside Food Hall, LP is interested in taking over the Chow Alley at Courthouse Piazza development concept.

The attached ENA with Riverside Food Hall, LP, further defines the terms of a long-term ground lease agreement and project scope, which must be in compliance with the Downtown Specific Plan and other development goals of the City. The ENA will allow for the negotiation of the following items, which must be resolved prior to entering into a long-term ground lease agreement:

- Defining of project scope; and
- Price and other various terms of a long-term lease.

The term of the ENA shall be six (6) months with one six (6) month option to extend. At the termination of the ENA, the City and Riverside Food Hall, LP may enter into a long-term ground lease assuming the City and Riverside Food Hall, LP have reached mutually agreeable terms.

### **FISCAL IMPACT:**

There is no immediate fiscal impact associated with this report.

Prepared by:	Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds:	Scott G. Miller, PhD, Chief Financial Officer/City Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

### **Attachments:**

1. Site Map
2. Exclusive Negotiating Agreement