



*City of Arts & Innovation*

# Development Committee

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**TO: DEVELOPMENT COMMITTEE MEMBERS**                      **DATE: JULY 23, 2015**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT**                      **WARD: 7**  
**DEPARTMENT**

**SUBJECT: DEVELOPMENT OF 11124-11144 PIERCE STREET AND 4870 LA SIERRA**  
**AVENUE - FIVE POINTS – SITE B**

## **ISSUE**

The issue for Development Committee consideration is whether to select Rich Development Company for the development of the property located at 11124-11144 Pierce Street and 4870 La Sierra Avenue, identified as Assessor's Parcel Numbers 146-220-008, 037, 038 and 039 and known as Five Points – Site B (Property – Attachment 1).

## **RECOMMENDATIONS**

That the Development Committee:

1. Select the Rich Development Company development proposal; and
2. Direct staff to negotiate an agreement for the disposition of the Property and subsequent development of a retail and office project to be presented to the City Council for consideration.

## **BACKGROUND**

On December 19, 2014, the Development Committee received an update on the Request for Proposals (RFP) for the Property, provided input regarding the preferred development of the site and directed staff to amend the RFP to allow for the preferred development of the Property.

On February 11, 2015, staff issued an RFP seeking a high quality development including a sit down restaurant with no drive-thru at the southwest corner of Pierce Street and La Sierra Avenue and an office development on the adjacent parcels.

On April 10, 2015, staff received one responsive proposal from Rich Development Company (Attachment 2), which is summarized below:

- Site Area: 2.4 acres
- Purchase Price: Fair market value
- Deposit: \$25,000 or 2 percent of the Purchase Price
- Proposed Project: A total of 18,400 square feet of a commercial development
  - Restaurant and Retail                      10,000 square feet (Eastern Segment)
  - Restaurant, Office and Coffee                      8,400 square feet (Western Segment)

- Parking: 140 spaces
- Total Investment: \$5,800,000
- Job Creation: 150-200 jobs
- Annual Sales Tax Revenue: \$60,000-\$80,000
- Annual Property Tax Revenue: \$75,000

Rich Development Company specializes in single tenant and mid-sized, multi-tenant retail and commercial development, which can be found throughout Southern California and the Western United States.

A staff committee reviewed the proposal and deemed it to be highly responsive. Staff recommends selection of the proposal submitted by Rich Development Company since this firm has the necessary experience and financial capacity to acquire and produce a retail and office development that meets the requirements set forth in the RFP.

### **FISCAL IMPACT**

There is no immediate General Fund impact associated with this report.

Submitted by:	Emilio Ramirez, Interim Community & Economic Development Director
Certified as to	
availability of funds:	Brent A. Mason, Finance Director/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Property Site Map
2. Rich Development Company Site Plans and Architectural Renderings