



Purchase and Development Agreement with Stalder Plaza, LP for Development of the Stalder Building & Parking Lot 42

Community & Economic Development Department

City Council
October 6, 2015

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PROJECT SITE

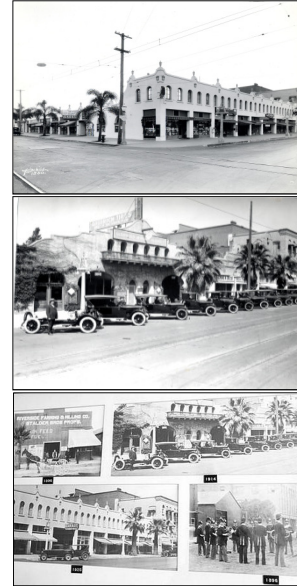
- The Stalder Block is a 1.2 acre site, located in the Raincross District of the DSP, which encourages uses that generate daytime & evening hours activity
- The Stalder Block includes: the Stalder Building (City Structure of Merit #7) & Public Parking Lot 42
- Redevelopment Agency entered into a Disposition and Development Agreement with MetroRiverside, LLC in 2006
- MetroRiverside defaulted on development of the Stalder Block – Litigation was settled in June 2015



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BACKGROUND

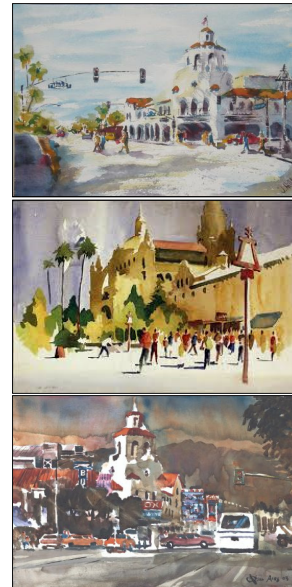
- Successor Agency issued a Request for Proposals seeking a new developer in October 2013
- Mixed-use residential, retail and restaurant development
- Purchase property for \$850,000 and \$350,000 contribution from the City for preservation of the historic Stalder Building facade



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DEVELOPMENT COMMITTEE

- February 20, 2014: Development Committee considered the disposition and development of the Stalder Building and the adjacent Public Parking Lot 42
 - Development Committee selected the proposal from Regional Properties, Inc. (now Stalder Plaza, LP) for the sale and development of the Stalder Building and the adjacent Public Parking Lot 42 and directed staff to negotiate a purchase and sale agreement to be presented to City Council for final consideration



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STALDER PLAZA, LP PROPOSAL

- Total Gross Floor Area: 241,204 sq. ft.
- Height: 4-story
- Residential: 165 units
- Office and Retail: 22,000 sq. ft.
- Parking: 363 subterranean spaces
- Preservation of historic facade
- Total Development Cost: \$42,000,000



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DEVELOPMENT IMPACT

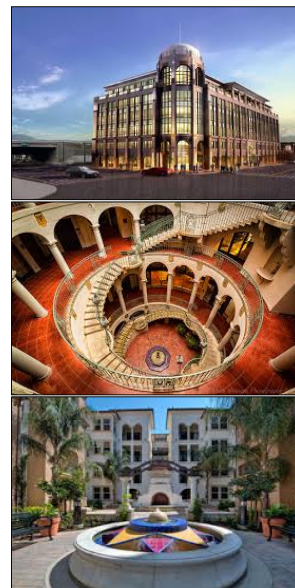
- Active residents living and enjoying arts, culture and entertainment in the downtown area
- 165 households with average income of \$64,310 annually
- 250 construction and 110 permanent jobs
- Sales tax revenue of \$4,500,000
- Property tax revenue of \$420,000



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DEVELOPMENT EXPERIENCE

- Over 40 years of combined experience developing residential, office & retail
- Robert Chattel - architect with extensive adaptive re-use experience
- Architects Orange – firm with expertise & experience in high quality projects
- Inland Pacific Advisors - company with extensive experience in commercial leasing
- Completed projects in Downtown: Mission Village Homes, Raincross Promenade, Citrus Tower & Mission Inn Rotunda
- Stalder Plaza – compatible with surrounding historic properties & provides sufficient subterranean parking for residential & retail



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AGREEMENT TERMS

Stalder Plaza, LP to:

- Purchase the Property for \$850,000 with the City contributing \$350,000 toward the preservation of the existing Stalder Building facade
- Construct up to 165 residential units, 22,000 square feet of office and retail/restaurant space, and parking
- Comply with all zoning, planning and building laws, design standards of the DSP, other Land Use Laws, the Agreement, and the applicable project entitlements



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AGREEMENT TERMS

Stalder Plaza, LP to:

- Submit an application to Planning for Tract Map, Design Review and project entitlements within 180
- Obtain all necessary entitlements and close escrow within 24 months
- Start construction within 90 days from the Close of Escrow and complete construction within 24 months thereafter
- Reversion to the City if deadlines for commencement and completion of construction are not met, with provisions for delays due to acts beyond buyer's control



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RECOMMENDATIONS

That the City Council:

1. Approve the Purchase and Development Agreement with Stalder Plaza, LP for the sale and development of the Stalder Building and the adjacent Public Parking Lot 42, identified as Assessor's Parcel Numbers 213-222-001, 002 and 003; and
2. Authorize the City Manager, or his designee, to execute the Purchase and Development Agreement and Historic Façade Easement Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction and to expend up to \$10,000 for title and escrow and miscellaneous closing costs.



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