



City of Arts & Innovation

Development Committee

TO: DEVELOPMENT COMMITTEE MEMBERS DATE: NOVEMBER 19, 2015

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

**SUBJECT: DISPOSITION AND DEVELOPMENT OF PUBLIC PARKING LOT 46 LOCATED
AT 3892 MAIN STREET ADJACENT TO THE BARBARA AND ART CULVER
CENTER OF THE ARTS - DIRECT SUBMITTAL**

ISSUE

The issue for Development Committee consideration recommendation of Ratkovich Properties for the disposition and development of the existing public Parking Lot 46, owned by University of California, Riverside, and located at the northeast corner of Main Street and Ninth Street, also referenced with Assessor Parcel Number (APN) 213-301-009 (Property – Attachment 1).

RECOMMENDATIONS

That the Development Committee:

1. Recommend Ratkovich Properties for the disposition and development of the Property;
and
2. Direct staff to coordinate with University of California, Riverside to negotiate an agreement for the disposition and development of the Property.

BACKGROUND

University of California, Riverside acquired three parcels from the former Redevelopment Agency, including Assessor Parcel Numbers (APNs) 213-301-007 (Rouse Building), 213-301-008 (Wurm Building) and 213-301-009 (Parking Lot 46), for development of the Barbara and Art Culver Center of the Arts.

The Redevelopment Agency entered into an Owner Participation Agreement with University of California, Riverside and provided \$2,250,000 in construction funding for Phase I of the Barbara and Art Culver Center of the Arts, which included a complete renovation of the Rouse Building. Phase II includes the subsequent development of the adjacent Wurm Building and Parking Lot 46 parcels with urban uses consistent with the Downtown Specific Plan. The University of California, Riverside began construction of Phase I in 2007 and completed construction in 2010, which was over one year behind schedule because of the State Treasurer's freeze of all bond funded projects during Fiscal Year 2008 and 2009. Pursuant to the Owner Participation Agreement approved by the Redevelopment Agency of the City of Riverside, the University of California, Riverside is required to commence construction of Phase II within 30 months from the start of Phase I or by May 27, 2010.

On June 1, 2010, the Redevelopment Agency approved a First Amendment granting the University of California, Riverside a five-year time extension to commence the development of Phase II by May 27, 2015. At the same time, the City Council approved a lease agreement between the City and the Regents of the University of California for use of Parking Lot 46 as a public parking lot, at no cost to the City, as a suitable interim alternative.

Since completion of Phase I of the Barbara and Art Culver Center of the Arts, the Regents of the University of California have experienced State funding cuts for new buildings and projects, budget constraints, as well as changes in leadership at the University of California, Riverside. As such, the University of California, Riverside requested and received approval for another extension to allow them more time to develop the Phase II property.

To solicit interest from qualified and experienced developers for the disposition and development of Parking Lot 46 in conjunction with the University of California, Riverside as the property owner, staff issued a Request for Qualifications for Development of a High Quality Urban Mixed-Use Project on August 10, 2015 and statements of qualifications were due on August 31, 2015. On August 31, 2015, staff received statements of qualifications from Regional Properties, Inc. and Ratkovich Properties LLC.

On October 5, 2015, the Selection Committee, which included City staff and representatives from the University of California, Riverside, interviewed both firms. While Regional Properties, Inc. has extensive development experience in residential and retail projects, Ratkovich Properties demonstrated broader experience with mixed-use residential and retail projects in a highly urban infill setting within a historic district. The Ratkovich Properties team has a combined forty-five years of real estate development experience. In addition to residential and retail development, Ratkovich has developed quality mixed-use residential and retail projects throughout the Southern California region, with noteworthy mixed-use projects that include the Promenade Walk in Long Beach, Paseo Colorado in Pasadena, and the Pellissier Building at Wiltern Center in Los Angeles.

Ratkovich Properties has demonstrated extensive experience in developing mixed-use residential and retail projects and has produced quality downtown mixed-use projects that include the Edison and Art Village in Downtown Long Beach, and Fashion Institute of Design and Merchandise in Downtown Los Angeles. Staff recommends that the Development Committee recommend Ratkovich Properties for the development of the Property. With a Development Committee approval staff will present this item to the Successor Agency, the Oversight Board and the Department of Finance for approval.

FISCAL IMPACT

There is no immediate fiscal impact associated with this report.

Submitted by:	Rafael Guzman, 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:	Garry G. Geuss, City Attorney

Attachment:	Property Site Map
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